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REAUTHORIZATION OF THE HIGHER EDUCATION ACT, 1985

HEARINGS

BEFORE THE

SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES

OF THE

COMMITTEE ON LABOR AND HUMAN RESOURCES UNITED STATES SENATE

NINETY-NINTH CONGRESS

FIRST SESSION

ON

EXAMINATION OF RECOMMENDATIONS AND PROPOSALS OF THE ADMINISTRATION AND OTHER EDUCATIONAL COUNCILS REGARDING THE REAUTHORIZATION OF THE HIGHER EDUCATION ACT

MARCH 29, 1985
HARTFORD, CT

PART 2

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REAUTHORIZATION OF THE HIGHER EDUCATION ACT, 1985

FRIDAY, MARCH 29, 1985

U.S. SENATE,
SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Hartford, CT.

The subcommittee met, pursuant to notice, at 9:05 a.m., University of Hartford, Senator Lowell Weicker, Jr. (acting chairman), presiding.

Present: Senator Weicker.

OPENING STATEMENT OF SENATOR WEICKER

Senator WEICKER. I welcome everybody in the room here to the hearings of the U.S. Senate Subcommittee on Education, Arts and the Humanities. At the direction of the subcommittee's chairman, Senator Stafford of Vermont, this hearing has been convened to consider the impact of the administration's proposed cuts in higher education student aid.

I particularly want to thank my good friend Steve Trachtenberg of the University of Hartford for hosting us this morning. I have had his counsel and advice over many education matters as they have come before the U.S. Senate in years past.

I have invited eight students and five university presidents to participate on three panels this morning to learn more about what would happen if the administration's proposals are implemented, and I know there are others here that also wish to provide testimony. We may not have time for everyone to speak, but there will be a few minutes for unscheduled witnesses, and if any of you in the audience would like to make a statement please be sure your name is on the signup list.

This is not the first Reagan administration attempt to undermine an important element of our higher education system. It was only 3 years ago that we came together on the campus of the University of Connecticut to consider the impact of similar devastating cuts that are again proposed this year.

And I have heard it said that since these cuts, which are identical to those proposed several years ago, and when indeed the entire hall was just filled with everybody in so far as persons interested in the subject matter; I have heard it said that since these cuts have been proposed, why, there does not seem to be that much interest kindled in terms of mail or student interest or faculty interest or whatever, and the reason probably being that since Reagan

has done this every year since he has been in office and since these cuts have not come to pass, why, everybody just has it as a foregone conclusion that nothing is going to happen.

Well, let me tell you why nothing has happened: In the Senate, I can make it pretty clear aside from the general votes in the Senate floor by both Republicans and Democrats, the fact is that Senator Stafford of Vermont and myself had to play political hardball to make sure that these cuts would not go through.

And the same holds true on the House side. When I take a look at the individuals involved with education just a handful stood up to block it. Now, I do not know how many years this can go on. The administration certainly has clout, as all of you must realize, having seen the voting exercises of the past week.

And I would suggest that we as a nation are going to get no more than we as a nation want. It is true, you know, that, as Ben Franklin put it, in this country, in this Nation the people rule, and we tend to compartmentalize things to those people down in Washington or those people in Hartford.

This situation of our Government, it is us; it is not those people. And if indeed nobody cares, I can assure you these cuts are going to go through. So I think it is time that people spoke up for what the Nation's priorities are supposed to be because these cuts are not just numbers and they are not just line items in the budget. They are not just listings in the newspaper and they are not someone else's problem.

These cuts represent devastating change to people's lives and a nation's hopes for the future. Everybody talks about the budget and budget deficits. Now, that is important; as it should be. Everybody worries about what will occur this year.

But, you see, my friends in the administration—and I might add with the active and able assistance of many Democrats because the Democrats control the House of Representatives—are playing a game that I think we had better start discussing as a people. Specifically, it is not so much what you see this year; this whole cast of political characters will be off the stage by the time anybody feels the impact of the cuts being proposed.

I sit as chairman of the Appropriations Subcommittee of Labor, Health, and Human Services, which handles all the education, science funding in this Nation, all the funding for the retarded and disabled and the elderly. It is the third biggest budget in the world.

I have seen the cuts made in so far as programs kthat relate to the retarded and the disabled. Now, if you do not want to feel a measure of sympathy in your heart for those people today, if you want to strictly put it on a financial basis, then let me assure you that any cuts that affect them in terms of them being mainstreamed into our society, any of those cuts you will pay for dearly in the out years.

We have come to learn that the education and the rehabilitation of our retarded and disabled is enormously cost effective if that is the basis you want to put it on. and it is enormously expensive when you institutionalize these people. Now, that is a hard point to get across because you see that budget saving this year, and quite frankly, the retarded and the disabled cannot speak for themselves.

But you will pay for it, and when I say "you" I used the editorial you which includes all of us in this country.

We know that the population of the United States is growing old. I say that in this place of youth, but the fact is those 85 years of age and over, that population will double by the year 2000. and the population 65 years of age and over will double by the year 2020.

And yet the moneys that we appropriate to go to medical schools that they might start to train people in the matter of geriatrics or the money we appropriate to Alzheimer's disease, these are all moneys that are going to be cut and really the impact will not be felt so much this year, but what about the impact in the out years? There is where the tremendous cost occurs.

The same holds true for those that are sick and diseased in this Nation and the money that we put into research at the National Institutes of Health. Yes, you can make a budget saving this year, but, please understand that the tremendous medical breakthroughs that are taking place this year, that you are reading about this year and last, et cetera, this was all money that was invested 10, 15 years ago. and if you do not invest it now, it is not going to be out there for future generations.

I fought so hard the taking away of moneys from the community health centers. That was really a problem of the inner cities and the blacks; it really was not our problem. and really who was going to pay for it? A few bureaucrats might lose their jobs. and then I pick up a report in the New York Times of just several weeks ago and we see where the infant mortality rate in this Nation, which has always been the highest among the economically advantaged nations of the world, the decline in infant mortality has stopped and infant mortality rates are enormously high in the cities of this Nation, one of them being Hartford, CT. And why? Because most of the time when a woman in labor is wheeled into that hospital, that is the first time that the doctor ever saw her. And all the prenatal care that used to take place mainly through the community health centers is no longer there.

And, so, yes, there is a price that is even being paid now. For all the concern—and I do not want to get into that debate today—of the unborn, how about the born. and then for those that thought there was no price to be paid in so far as the poor of the Nation are concerned and you read the report on hunger delivered not by some kook, left wing organization but by Harvard University. There are more going hungry in this Nation now than ever before at a time when supposedly we are the economic giant of the world.

And now we are brought together here on the matter of youth and the matter you student aid. But now you see it all comes together because indeed maybe you were not retarded, maybe you were not poor, maybe you were not elderly, maybe you were not an infant, bu' now you are young and you have a whole future ahead of you. and this is when you are asking your country for some form of assistance in order to lead that quality of life that you aspire to.

And there has been the success of the entire economic program as proposed by Democrat and Republican in the last few years. We have succeeded in vulcanizing this Nation. You are a special interest. I never knew that when I first went to Washington, that stu-

dents were a special interest. I never knew the poor were a special interest. I never knew the elderly were a special interest.

Yes, I assumed that special interest groups, that you had your corporations down there and various unions; in an economic sense, in other words, these were special interests, but not those interests that belong to all of us in a different way depending on who we are, where we come from.

and I might add to the group that politically nowadays is called the Yuppies, the ones that are apparently doing very well economically; I would expect that they have attained their particular status in life because somebody cared about them in some form.

Our institutions of higher education constitute an invaluable national resource that would be devastated if these proposals are enacted that are up for review today. Today's testimony is important because it translates the cold and sterile numbers of a budget proposal into the unrealized dreams and the foregone opportunities of real people.

But I would hope that before this is all over it is not just an exercise on speaking out for college, for student aid. I hope it does not become that. I hope this might be the starting point where we speak out for each other because, believe when I say this, that America moves best when it moves together. And I think we are very fortunate in this small State to understand what a neighbor is, and sometimes that becomes hard to visualize nationally.

But your neighbor is retarded and your neighbor is poor and your neighbor is old. And your neighbor is young.

So, with those opening comments, the hearing will now proceed, and our first witness is Representative John Rowland, John the newest member of our congressional delegation from Connecticut's Fifth District. And I glad to have him here as a friend. I am also delighted that he is a Republican. He is also one of the few Republicans who talks to me.

But there is something else about John that makes it very important that he be with us today. As I received my legal education at the University of Virginia vis-a-vis the GI bill of rights—that is what my Government did for me—so John received his education at Villanova, and, yes, that education was financed in part by a student loan.

John, it is good to have you with us.

STATEMENT OF JOHN G. ROWLAND, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CONNECTICUT

Mr. ROWLAND. Senator, thank you very, very much. First let me thank you and thank the committee and thank the chairman for allowing me to participate in this hearing. First I want to wholeheartedly endorse your opening comments. And I think all of us, whether we are in the education community or involved in any sector or any special interest or just plain old people in the State of Connecticut, have seen you as a champion not only of these issues but many, many issues and not only in the past year or during this past administration but over the past two decades, and I want to thank you for being that champion and being part of our delegation.

Connecticut is a State that takes great pride in its education community. Some 62 percent of our high school graduates have gone to college. Our institutions of higher education are some of the finest in the world, and simply put, we are a State that realizes that the future of our youth demands that we do not start auctioning away seats at our prestigious colleges and universities to the highest bidders. Poor and middle class students in Connecticut have a lot to lose from cuts in the education budget. All together we stand to lose about $67 million in Federal financial aid; $67 million is approximately 37 percent of the total funds received by Connecticut college students. One-third or 24,000 of the students in Connecticut who currently receive guaranteed student loans will become ineligible. And approximately 6,000 students would lose their Pell grants. Perhaps the most disturbing problem is that the administration's proposal denies assistance to families with incomes of over $32,500 without taking into consideration the number of students a family may have in college.

How can we deny a family making $32,500 with two or three children in college access to the Student Loan Program while a family earning $32,000, just $500 less, with only one child would be eligible to receive assistance? These proposals are clearly unfair to those who are truly needy. The proposed ceiling of $4,000 of aid to individual students would strike hardest at those who are neediest and those who would certainly attend private institutions.

This brings up an unfortunate dilemma. According to the former U.S. Commissioner of Education, Harold Howe, taxpayers will be paying an increasing amount toward the education of those attending public institutions. The administration's proposal will cause a shift of many of these new applicants from private to public colleges. This in turn will increase costs to taxpayers. Or just as bad, it may result in the crowding out of students for whom the choice is attending a public college or no college at all.

The Republican members of the House Subcommittee on Postsecondary Education have proposed a spending freeze at fiscal year 1985. This appropriation level will be for all programs under the subcommittee's jurisdiction with the exception of guaranteed student loans.

Under the GSL Program they recommend programmatic changes that would not gut the Student Loan Program but simply require that all students undergo a needs test. I hope the Education and Labor Committee gives this proposal serious consideration.

Now, the time to correct the problems inherent in the student assistance programs is later this year when Congress takes up the reauthorization of the Higher Education Act. First and foremost, we must crack down on those who have defaulted on their loans and those who are making no reasonable effort to meet their obligation. That just punishes future young people who want to attend college. But derailing the Student Loan Program because of these past defaults also punishes future young people.

In conclusion, the changes proposed by the administration are simply unacceptable. As perhaps the only Member of Congress still repaying his own student loans I understand the importance of this type of assistance not only to current students but to future students and future generations.

It is frightening that in the year 2000 when my daughter Kirsten will be entering college annual tuition is expected to be $20,000. That is just tuition, $20,000.

The future of this great Nation depends on the future of our youth, and the future will be meaningful only if college is not an extracurricular activity or a passing fancy, but for all intents and purposes a prerequisite. We are rapidly approaching an end to the days when you can go into business for yourself or any kind of business without some sort of college diploma, and that applies to the rich and to the poor alike.

The opportunity to attend college cannot be limited to only those with families with high incomes. In 1960 high-ability, low-income high school students had only a 42-percent chance of attending college. By 1980, 20 years later with the development of Federal grants, loans, and work-study programs 73 percent of these students plan to attend college.

Student loan programs are not a giveaway. They are not a freebee. They are an investment in our future. I want to thank you, Senator, and thank the committee for allowing me to share some of my concerns about the proposed cuts. In my opinion and I am sure in your opinion, it is one of the most important issues we are facing in Congress this year, and I want to thank you for your continued interest and your continued support and know that I am on your side in this issue. Thank you very much.

Senator WEICKER. John, thank you very much. Let me just ask you one question because you can sort of bring us all up to speed on what the House is going to do. Do you feel that the principal thrust of the administration cuts is going to get through the House?

Mr. ROWLAND. I would say that most Members in the House, both sides of the aisle, understand the importance of the Student Loan Program. I would say that there is not much interest on cutting back on the program. And I think there are two fallacies that we have to dismiss immediately.

That is the argument that people are not paying back the student loans; therefore, it is a bad program; therefore, we should be cutting back on the program; therefore, we should be tightening up the restrictions; therefore, we should be limiting the income to $32,500. If we have problems in collecting the student loans, let us argue that problem and address that problem. But you cannot throw the baby out with the bath water and try to restructure the whole program because we are bad collectors.

The other instance is the comments made by the Education Secretary when he referred to young people buying sports cars and taking trips and buying stereos and a variety of other issues that sound good in the press. I think he oversimplified the situation. Yes, like any Federal program, starting out there were some problems years ago. Those problems have been corrected. I think it's an oversimplification by the Secretary. I took great resentment being part of that generation to those comments, and I believe he is going to have to change his thinking about the Student Loan Program.

But in straight answer to your question I have found in talking to my colleagues and I have garnered support to oppose these cuts. I have found that many Members on both sides of the aisle have

talked to their constituents realizing the benefit of the program, realizing the benefit to excellence in education, and the benefit to our future young people.

Senator WEICKER. Thank you very much, Congressman. I would hope at this juncture you would come up and join me here for a few minutes. I know you have to fly back to Washington to be at the reception of the body of Major Nicholson at Andrews Air Force Base, so you will be leaving us in a few minutes. But if you would join us, I would appreciate it.

There are an awful lot of people standing up. Please feel free to take seats back here if you care to. And do not worry about getting trapped up here. You can come in and out just however you want to, so that if anybody cares to sit down, feel free to sit on either side here where there are plenty of chairs.

I also have a statement from Congresswoman Barbara Kennelly regarding the proposed cuts. That statement will be entered into the written record of this hearing, needless to say very much opposed to the cuts in student loans.

[The statement referred to follows:]

Testimony of U.S. Representative Barbara B. Kennelly

Thank you for this opportunity to express my views on the President's FY 1986 budget proposal to cut $2.2 billion from student financial aid programs. I am very pleased that the Subcommittee chose my congressional district for a field hearing on this vital issue. In the first district and elsewhere, the cuts proposed by the Administration would have far-reaching and, I fear, ominous implications both for colleges and universities and for the students who attend them.

When we weigh the merits and drawbacks of the various budget proposals, we are making choices about the kind of society we hope to build for the future. Nowhere is this more clear than in the area of education. Quite simply, education is investment, in individuals and in our nation. No society can hope to excel -- politically, economically, or culturally -- unless it is committed to the education of young people.

In our colleges and universities today, we are training the minds and hands that will design the sophisticated weapons that protect our national security. We are educating the scientists who will tackle the problem of hunger with advanced genetic engineering. We are preparing the doctors and researchers whose efforts might mean good health and long life for millions. We are molding the painters, musicians, and writers whose creativity will enrich life for all of us. Above all, we are shaping the next generation of peace-makers, those who must take up the burden of survival in a nuclear age.

For all these reasons, the Administration's budget proposals for student financial aid are short-sighted and misguided. All our students, not just a privileged few, should have a chance to go as far as their intellects will take them. Yet measures such as ending eligibility for students from families with adjusted gross incomes over $32,500 or limiting the total amount of aid to $4,000 a year per student will force students to transfer to less expensive colleges, to drop out of college, or never even to have a chance to enter college at all.

Steps such as those proposed by the Administration do not take into account the every-day realities that face families. It is obvious that these steps will further limit access and choice for the poor and disadvantaged. Yet the impact on middle-income young people may be just as severe. With two or more children in college at the same time; with unexpected medical bills; with unforeseen periods of unemployment; with any number of perfectly ordinary yet unpredictable events, even relatively well-off families may find higher education unaffordable.

I firmly believe that financial aid should not be given to those who do not need it. Yet I question whether an arbitrary cut-off level from eligibility for aid really accomplishes that goal. If well-off students are receiving aid, shouldn't we be developing better methods of determining who really needs financial aid? By the same token, if student loans are not being repaid, shouldn't we go after those who are delinquent, rather than punishing prospective students by denying them aid?

The Administration's proposals would mean that about 2 million students would no longer be eligible for aid. In Connecticut alone, 24,000 students -- nearly a third of those now receiving loans -- would lose them. Private

institutions, such as the one at which this hearing today is being held, will be particularly hard hit.

It is short-sighted to think that students who lose financial aid could simply start attending less expensive public schools. If only 10 percent of the 2.5 million students now attending private schools transfer to public schools -- which are, in any case, unprepared for a sudden influx of students -- the additional cost to states could go as high as $1 billion. We could cripple our private institutions by making them unaffordable for most students, and cripple our public ones by flooding them with students they are not prepared to handle.

I have touched on just a few of the more pressing issues raised by the proposed cuts in student financial aid. I am sure that others will be raised in the course of these hearings. But I'd like to add just one last point: Over the years, we have developed a vibrant higher education system, one that can meet the needs of many types of students. That diversity is precious, and should be protected for the sake of our future. Thank you very much.

Senator WEICKER. Our first panel today will be four students who are currently enrolled in higher education programs in Connecticut. Each is currently participating in one or more federally supported student aid programs. They represent a diversity of schools ranging from a technical college to a medical school. I am looking forward to hearing from each of you and I will hold my questions until after all have presented their prepared statements.

The witnesses are Mr. William Rowe from the University of Connecticut Health Center; Ms. Anne Mascoli from the Central Connecticut State University; Marilyn Velez from Waterbury State Technical College; and, Kim Mullen from Manchester Community College.

I believe that William Rowe is our first witness.

STATEMENTS OF WILLIAM ROWE, UNIVERSITY OF CONNECTICUT HEALTH CENTER; ANNE MASCOLI, CENTRAL CONNECTICUT STATE UNIVERSITY; MARILYN VELEZ, WATERBURY STATE TECHNICAL COLLEGE; AND KIM MULLEN, MANCHESTER COMMUNITY COLLEGE

Mr. ROWE. Good morning, Senator. I am currently a third year medical student at the University of Connecticut Health Center and I have been asked to speak to you concerning the financing of my education.

I am a Connecticut resident. My family lives in Stamford. I attended Cornell University, a highly regarded and quite expensive institution of higher education. My parents provided about $40,000 toward that education, much of which they are still paying off.

I also needed the $7,500 then available to me under the title IV Guaranteed Student Loan Program. In addition, and partially under the College Work-Study Program, I worked for 25 to 35 hours a week during my junior and senior years in order to complete my undergraduate education. Now, this was in addition to working during the summer and during vacation periods.

I was accepted to medical school straight out of college. However, by that time my other sister was also in college. Even so, plus loans on my college education, my parents were still able to help me through my first 2 years of medical school by lending me several

thousand dollars. This is in addition to the $5,000 in guaranteed student loans per year, and a part time job.

I was fortunate in that I only had to borrow about $3,000 in the high interest, title VII HEAL Program during those first 2 years.

This year alone, however, my third year, I have borrow $13,800. Of this amount, $5,000 was from the Guaranteed Student Loan Program, $1,800 was a university loan, and the other $7,000 was from the high interest HEAL Program. I realize that $13,800 may sound pretty extravagant for a student. My expenses include more than $5,000 in tuition and fees leaving less than $7,000 for other living expenses, which include rent, utilities, food, books and journals, and transportation, which in my case is a 1974 Volkswagen Beatle sorely in need of a new muffler, which incidentally I will be changing myself rather than paying to have it installed. Although I am certain that Secretary of Education William Bennett would consider any car, even mine, a luxury, I can assure you that very few buses run between 5 and 6 in the morning which is when many medical students must get to the hospital.

The hours that graduate and professional students keep are not only unusual, but they are also very long. I was able to work during my first 2 years of medical school on a part-time basis.

However, during a recent general surgery rotation, I was at the hospital an average of 90 hours a week. The point I am making is that it is impossible to hold down part-time work during the third and fourth years of medical school.

To get back to the specifics of my personal experience with loans my total indebtedness is as follows: To the Title IV, Guaranteed Student Loan Program I owe currently $22,500; this does include $7,500 undergraduate; on the university loan I owe $1,800, and under the Title VII, HEAL Program I owe $10,000 at a current rate of about 16 percent; for a total of $34,300 in Government and university loans. This does not include $13,000 I owe my parents and relatives for medical school alone for a total of $47,300 total indebtedness to date

Now, these figures do not include what my parent owe both on myself and my sister from undergraduate. Next year the HEAL loan will cost me about $1,600 in interest alone, which will be compounded as I defer it because otherwise I would have to take out another loan to pay for it. With a little luck I will be able to graduate with a total indebtedness of about $60,000.

I would like to remind you that I attend a State medical school which costs much less than the private medical schools.

Looking toward the future I will spend from 3 to 8 years in a Residency and Fellowship Program. During that time when my loan comes due I expect to be repaying my loans to the tune of $600 to $700 a month. Although things will be tight for a number of years, all those loans will be repaid.

In summary, Senator, I have made use of several of the loan programs currently available to students, the Title IV, College Work-Study and Guaranteed Student Loan Programs and the Title VII, Health Education Assistance Loan Program.

Of these programs the Guaranteed Student Loan has been by far the most important. It accounts for two-thirds of my Government and university loans, and if I were affected by the new administra-

tion proposals I would be ineligible for it. About 73 percent of my classmates also depend on the Guaranteed Student Loan Program, and I daresay that many of us could not have made it financially without the program. And to cut back the HEAL Program is incomprehensible, as that should be a break-even proposition anyway.

If the purpose of these cutbacks is to limit the number of college and professional graduates, then the administration proposals are sure to succeed. But you might like to remind the President that he needs college and professional graduates to build his Star Wars Program. Let us face it, education is the future of this country, and that is why I am urging you, Senator, to vote for retaining the loan programs as they currently stand. Thank you. [Applause.]

Senator WEICKER. We thank you very much. The next witness is Anne Mascoli from Central Connecticut.

Ms. MASCOLI. Good morning, Senator. I would like to thank you for the opportunity to present testimony at this morning's hearing. My name is Anne Mascoli. I am a sophomore at Central Connecticut State University majoring in graphic design management.

I am the youngest of five children and one of three who are presently in college. I have a brother and sister who are also at Central. In the past 2 years that I have been in school I have been fortunate to have been a recipient of many forms of Federal and State financial aid. Because of the number of children in college my family has relied heavily on this aid to help support the costs of attending school.

In 1983–84 I received a total of $3,191 in financial aid including a Pell grant for $375 and a national direct student loan for $316. I earned $744 of that assistance working under the College Work-Study Program at the university library.

This year I've received a total of $2,794 including a Pell grant of $550 and a guaranteed student loan for $750. During both years I have been a recipient of a Connecticut scholastic achievement grant in the amount of $500 a year.

Since Central's estimated student expense budget for on-campus residents is $4,700, a little over half my class are supported by student aid. The rest comes from my summer savings, part-time employment during the school year, and what my parents can help contribute. Both my brother and my sister are also recipients of financial aid at Central, but they have relied more heavily on student loans.

My oldest brother and oldest sister who have both completed college also had financial aid when they were in school, including Federal loans which both of them have already completely repaid. My sister attended Columbia University in New York and my brother a State community college and then a proprietary college for training in electronics.

And now this year my older sister has been accepted to medical school to begin in August. So next year we will have four members of my family in college.

My parents' combined income now exceeds the proposed $32,500 cap which would make us ineligible for loans or grants. The elimination of Federal financial aid would simply make it impossible for all of us to continue. My oldest sister has worked especially hard

both in college and since her graduation to repay her student loans and finally to have been admitted to medical school, and to deny her now this opportunity would be terribly unjust. My other brother and sister who are in school now will be seniors next year and it would be a terrible waste if one of them had to stop.

I myself would certainly not want to discontinue my education. I have worked very hard to maintain a 3.4 cumulative grade point average. An education is very important to me and to my parents who both also went to college. My parents have always been willing to sacrifice for all of us to give us good educations. They do not have any luxuries. They have never had a new car, never taken an expensive vacation, and even now they are planning to take a second mortgage on their home to help finance my sister in medical school. And those of us in school have always been willing to work hard also.

The three of us have all had two summer jobs, and we work part time during the school year to help with costs, and we will continue to do so.

Despite the student divestiture statements that Secretary Bennett recently made, I assure you I do not own a car or a stereo and, as you can see, I did not go to Florida last week when I was on my spring break. These things are really unimportant to me right now compared to the completion of my education.

I particularly feel that the proposed income caps are unjust as they make no exceptions for families with more than one child in school or for other extraordinary circumstances which might occur.

This would be penalizing families in my situation, and my family is certainly not exceptional. There are so many others facing similar circumstances. I can only make brief comments in regard to some of the administration's other recommendations. Because of the relatively low cost at Central it is unlikely that the $4,000 mega cap on total financial aid would have an effect on me. I am not opposed to an $800 self-help expectation including the opportunity to work under college work-study.

I am concerned with one of the lesser publicized recommendations regarding the elimination of funding State student incentive grants. These funds support Connecticut's scholastic achievement grants which is in part a merit award which I worked very hard to achieve in high school. It would hurt if I lost this scholarship as well as the other aid.

As I stated earlier the availability of financial aid is very important to our family because of the number of children in school. Even now with the money from the second mortgage my family cannot afford to keep all four students in school without some financial aid. We simply have no other place to turn for assistance.

The argument implied by Secretary Bennett that students may have to choose less expensive schools does not hold for us since we are all attending public schools now.

The administration's proposals to reduce Federal student aid assistance will surely have a devastating effect on our Nation as a whole. We are supposedly entering an age of higher technology in order to compete in the world market and our older industries need to be modernized. Without the opportunities of education

being open to all who desire and merit it we will be limiting the human resources of our Nation.

I certainly hope my education will help me to contribute to the future of our country. I realize that the proposed cuts are to help aim aid at the neediest students, but I do think that the proposed cap should be qualified taking into account families with more than one in school at the same time and also the costs of the institutions they are attending, whether they be public or private.

I am not here today to ask that the Federal Government or the American taxpayers pay totally for my education, only for the opportunity to obtain necessary loans or grants, as the case may be, to allow me to become a productive citizen willing to contribute to our society today and thus help the next generation that will follow us. Thank you, Senator.

Senator WEICKER. Thank you very much. The next witness is Marilyn Velez from Waterbury State Technical College.

Ms. VELEZ. Senator Weicker, ladies and gentlemen, my name is Marilyn Velez. I am a freshman at Waterbury State Technical College and my major is chemical engineering. One of the reasons I applied to Waterbury State Technical College was because it is relatively inexpensive and affordable with the help of financial aid. I come from a low-income family situation and there are six family members in my household.

I am the only one attending college. We had a total family income of $18,000 last year. So you can see why my education at present is being financed completely by grants, scholarships, college work-study and the guaranteed student loan.

President Reagan's proposed Federal cuts will hurt students like myself in many areas making it impossible for us to get an education. As you are aware, college students are expected to supplement a portion of their education through summer employment. With the present proposal to cut student youth employment funds it is becoming more and more difficult to obtain summer jobs.

Yet under the present structure students still would be expected to pay for a portion of their education, job or not. Most colleges fix in $700 to $1,000 as the portion of family contribution a student has to make toward his or her education. Where will the money come from if Federal cuts make it impossible for me to obtain summer employment?

At present I do not receive any money from my parents to subsidize my education. I am entirely dependent upon the financial assistance programs offered to me by the college. Presently I am considered a dependent student living at home. As of this year I will be considered an independent student due to the fact that my parents and family are moving back to Puerto Rico.

This upcoming situation will increase my need for a greater amount of financial aid. What worries me now is that I have 3 years to go, one at Waterbury State Technical College for my associate's degree and 2 at a 4-year college for my bachelor's degree.

As I previously stated, I would have to go to a 4-year college for my bachelor's degree. Most of the 4-year colleges which I have looked into and would consider attending have a budget close to $9,000. We know that President Reagan is proposing a $4,000 cap in annual grant and loan amounts combined. I, myself, will be left

out in the cold because out of the college's $9,000 budget I would have to come up with the remaining difference of $5,000, which would be literally impossible for me to obtain.

I am sure there will be thousands of students like myself who will be in the same fix. If Congress seeks to pass this bill, you are in effect telling millions of students across the country from low-income families that President Reagan's plans for eliminating assets to higher education for those who aren't wealthy is surely what Government should be doing. The message will be that the way to economic stability and job improvement across the country is not by helping to educate the masses, but by providing opportunities for the chosen few, thereby telling those students who are trying to rise up out of their low-income situations and build a place for themselves in society that their efforts are a futile task.

I say that the Appropriations Committee will not let this gross injustice happen to the youth of our Nation who are seeking to improve their way of life, that the committee will see that the way this country has always created more stable economic future has been to provide positive and equal chance and educational growth for all. Educating our people is America's way for continued prosperity in the future. Thank you.

[Applause.]

Senator WEICKER. Thank you very much. The last witness on this particular panel is Kim Mullen from Manchester Community College.

Ms. MULLEN. Mr. Chairman, members of the committee, my name is Kimberly Mullen. I am 24 years of age and a student at Manchester Community College. I am speaking in opposition to the reductions in Federal student aid proposed by the Reagan administration.

My ability to attend college has been due in part to financial support from Federal assistance programs. In 1978 I attended Bauder College in Florida and obtained a 1-year diploma in fashion merchandising. I received financial assistance through a national direct student loan, which has since been paid in full.

I entered the work force in a management capacity and became self-supporting as a result of my education. After 4 years I elected to make a career change. Additional higher education was necessary to complete the change and achieve my career goal as an acting coach. Due to limited financial resources I decided to attend a low cost community college.

Leaving the full-time work force results in a decrease in salary and standard of living. For example, No. 1, relocating to a less desirable area; No. 2, moving from a full size apartment to a single room; No. 3, trading a new vehicle for an older, more economical one, thus eliminating car loan payments, decreasing car insurance premiums; No. 4, experiencing social and personal adjustments, causing changes in my eating habits, limited allowances for clothing and personal expenses, and restricting funds for social activities.

I was willing to make these sacrifices to fulfill my goals. In order to attend Manchester Community College I am employed through the College Work-Study Program, the student program board, and a local rental office. My contributions are not limited to school or

the workplace. My extracurricular activities include being dramatic arts club president, performer in a number of theater productions at the school, delegate to the National Association of Campus Activities Conference, electoral assembly alternate, and a member of various other collegewide committees.

Most importantly, while fulfilling these obligations I maintained a 3.8 cumulative grade point average. In short, both the college and I have contributed and both have reaped benefits.

This fall I look forward to attending New York University. The estimated cost of attending this college including tuition, fees, books, supplies, food, housing, personal expenses, and transportation exceeds $13,000 per year. Although I plan to continue working I will be unable to meet the financial requirements of NYU without maximum Federal assistance, Pell, SEOG, NDSL, and the College Work-Study Program.

It is to my understanding the Reagan administration has proposed to place a ceiling of $4,000 on the total amount of student aid including loans, grants, work-study money that anyone can receive under Federal student aid programs. These proposed budget cuts will deprive me of a continued higher education and will deny society of my contribution. I feel I deserve the opportunity to attend the college that will best serve my educational goals, not just a college I can afford.

A quality higher education should be accessible to every American regardless of his economic or social background. Higher education should not be viewed as a national burden, rather an investment in the United States and its future. Our country depends on an educated, skilled and literate society. As an American student and voter I urge you to reject these devastating reductions in Federal aid programs. Thank you. [Applause.]

Senator WEICKER. Thank you. I know Congressman Rowland has to leave, so if he has any questions we would like to hear them at this time.

Mr. ROWLAND. Thank you, Senator. Actually, it would be very difficult to ask any questions that would bring out any more information than you have presented.

I just want to say that that is some of the finest testimony that I have heard in a long time. Unfortunately, I do have to go back this morning to the House, but I will make sure that at least the Members in the House will get an opportunity to see your testimony because I think if they do listen to the comments made by you this morning and if they read into the comments you have made and if they look at the situations you are all facing as individuals, then I think it is fair to say that not only other students in this room but certainly other students across their districts are in the same situations.

I think if they get the opportunity to see that testimony there is no way in the world that they are going to touch the student loan programs and the student assistance programs.

And I just want to thank you for having the courage to step forward. It is very difficult with all those microphones, and I just want to thank you for having the courage to step forward and speak out on behalf of your peers and know that it is going to be

heard in the House. And I think it is safe to say it is going to be heard in the Senate.

Thank you. [Applause.]

Senator WEICKER. Thank you very much, John.

I have one question for all of you that I would hope each one would respond to. And I might add as to wondering what happens to this testimony, as fate would have it, the next witness that I have before my Subcommittee on Appropriation—and this will occur the week after next—is one William Bennett. And I would suggest that Mr. Bennett had best be rather precise in any—I know this sounds rather contradictory—in any of his generalizations, but with this testimony in hand we will place your testimony against these generalizations which seem very spectacular and very readable, but at the same time being very untrue.

The one question that I have to each of you is if these cuts went through, how much do you think would really be belt tightening and how much would really just be ending the education process for a particular individual. And you can use your own experience in that record. How much would be belt tightening? How many of you would just have to knock off the education and get to work and do something, in other words, outside the educational process?

Mr. ROWE. Senator, I would lose—my parents' combined income is greater than $32,500, and I would wind up losing $22,500, and that would be an awful lot of belt tightening, and quite frankly that would probably have precluded my going to medical school.

Senator WEICKER. That is a good question because you are now well into your medical education.

Mr. ROWE. That is correct, sir.

Senator WEICKER. So you can see the end. If you had this choice to make at the outset, my question is, Would you have gone into the medical field?

Mr. ROWE. That is a very difficult question because my total indebtedness would have increased tremendously. I would have been forced to borrow virtually everything under the high interest HEAL Program and if I borrowed, say, $40,000 under that program at current interest rates I would wind up repaying over the life of the repayment period about $400,000 at 15 percent. And right now——

Senator WEICKER. That would have been a tough decision.

Mr. ROWE. It would have, yes.

Senator WEICKER. The Connecticut lottery might be good, but it is not that good. Anne?

Ms. MASCOLI. Senator, I feel myself personally I would be able to complete my education but not within 4 years. I think I would have to work full time and probably go to school part time and I would be able to complete my education over a longer period of time. But as for my sister attending medical school it would be completely impossible, a complete impossibility for her to attend medical school.

I think that would be the biggest effect on my family.

Senator WEICKER. Marilyn.

Ms. VELEZ. Senator Weicker, I also think that without my aid I would have to leave school and get a full-time job and attend school part time because right now, like I said, I am being financed com-

pletely by my aid to attend college, and without it would not be able to finish out my 4 years because the next 2 years that I would have to finish out would cost me a pretty big sum and I would not be able to do it.

Senator WEICKER. Kim.

Ms. MULLEN. I am pretty much in the same circumstances. The money that I make working three jobs supports—I barely make ends meet and I am working as much as I possibly can. And I really do not have the money I need. I am willing to work as much as I can this summer to put forth the $800 or whatever I need. I will contribute as much as I humanly possibly can, but without maximum aid I will not continue.

Senator WEICKER. In your case you are paying in addition to the loans the rest of the cost of your education. Your parents are not; is that correct?

Ms. MULLEN. I am receiving a tuition waiver.

Senator WEICKER. Your parents are participating to some extent, Marilyn, in your education?

Ms. VELEZ. No, they are not. I am being financed by financial aid from the school and the Federal Government.

Senator WEICKER. Anne?

Ms. MASCOLI. Our parents contribute a little bit to our education, but between the three of us now they cannot contribute a large amount.

Senator WEICKER. As I understand it, you have three other——

Ms. MASCOLI. Three in college right now and next year it will be four.

Senator WEICKER. And what other universities are your family going to?

Ms. MASCOLI. All three of us now are at Central and three of us will still be at Central next year and also my sister who plans to attend medical school.

Senator WEICKER. And as I understood your testimony, you indicated both family and friends had contributed to your education.

Mr. ROWE. Family and relatives, yes, sir.

Senator WEICKER. Well, I thank you all for your testimony and it will be useful in the deliberations of the committee. I just wish the whole country could have heard the testimony. We will try to see at least that it has an effect on the whole country. Thank you very much. [Applause.]

Our next panel consists of five distinguished university presidents from schools here in Connecticut, and I very much appreciate the time that each one of you gentlemen are taking this morning from your busy schedules to be with us.

We have President Bart Giamatti of Yale University; we have our host, President Trachtenberg, University of Hartford; John DiBiaggio, president of the University of Connecticut and unfortunately soon to be going West. Is Father Kelley here? Father Kelley has not arrived. President Feldman of Western Connecticut State University. I am again going to withhold my questions until you all have given testimony, but I again want to express my appreciation to all of those on this panel. I have worked with all of you vis-a-vis higher education matters. I think we are very fortunate indeed to have men of your caliber as a part of the education leadership of

this State. So why do we not proceed with the testimony and then I will have questions to follow up. Steve.

STATEMENTS OF STEPHEN J. TRACHTENBERG, PRESIDENT, UNIVERSITY OF HARTFORD; A. BARTLETT GIAMATTI, PRESIDENT, YALE UNIVERSITY; JOHN A. DI BIAGGIO, PRESIDENT, UNIVERSITY OF CONNECTICUT; FATHER ALOYSIUS P. KELLEY, PRESIDENT, FAIRFIELD UNIVERSITY; AND STEPHEN FELDMAN, PRESIDENT, WESTERN CONNECTICUT STATE UNIVERSITY

Mr. TRACHTENBERG. Thank you, Senator. It is a great honor to have you and the committee here. Before Marilyn and Kim leave I just want to express my hope that when they graduate from Waterbury and Manchester they will consider applying to the University of Hartford.

Senator WEICKER. The man never loses an opportunity. I can tell you that. [Laughter.]

Mr. TRACHTENBERG. This financial aid business is serious stuff.

Senator Weicker, ladies and gentlemen, it is an honor to be the first university president to address you today. All of us have a good sense by now of the magnitude of the cutbacks being proposed in Federal support for higher education and student aid. And most of us are aware of what a slander it is to characterize most students as playboys and playgirls with little more on their minds than stereo sets and expensive vacations. That image may have had some validity in 1939 when only 6 percent of the American population attended college for any length of time. It has precious little validity in 1985 when the typical student is employed part time, as we have heard, and sometimes full time, as we have also heard, in order to pay the costs and reap the benefits of higher education. There is a profound paradox in the campaign of villification that has been conducted against our colleges and universities in order to soften up public opinion and to gain support for these radical cutbacks in Federal aid for our students.

Those who have tried to use their eloquence in order to demean our institutions of higher education are persons who gained that eloquence as students and teachers in the very schools they now malign. [Applause.]

We have been told, for example, that a thoughtful parent might well advise a son or daughter in high school not to go to college, that such a parent might find it an act of wisdom to hand that boy or girl a check for $50,000 and encourage his offspring to open an entrepreneurial business instead of wasting time in the classroom.

It occurs to me that Secretary Bennett may be a candidate for the directorship of the Small Business Administration except for the fact the administration is doing away with the Small Business Administration. [Applause.]

I submit to you that talk of this kind represents a highly regrettable rebirth of what one distinguished historian called the strain of anti-intellectualism in American life. I submit to you also that remarks like these thrown out in so reckless a spirit could easily affect the thinking of at least some boys and girls in ways that may later cause some of them regret.

The fact is that we live today in a society that has been transformed through its system of higher education. Influential books tell us that we live in an information society where power accrues in the hands of those best able to understand, manipulate, and transmit the kinds of words, concepts, and images that are first encountered at the college and university level.

In the universities of today it is departments of computer science, mathematics, engineering, technology, and medicine that introduce the student to the world he or she will have to inhabit and within which that student will have to make both a life and a living.

It is in departments of philosophy, communication, and languages that the student grapples with ethical decisionmaking and acquires the skills that will enable America to maintain and remain competitive in the international marketplace.

The students and college presidents who will come here today to testify against the reckless, proposed cuts may seem to be drawn from opposite polls of the college and university spectrum. In a deeper sense, they are united by their realization that it is not only they, but America as a whole and the American future that will be hurt if those cuts are made.

There are heartening signs already that more and more Americans understand this fact and are letting their political leaders know it. Today's hearing can only help that process along, Senator. It is one way of putting our Government on notice that America is too important to be the subject of so ill advised an experiment whose potential victims include the American economy.

With the permission of the committee I would like to share with you a copy of an article which appeared in the February 18, 1985, issue of New England Business magazine. It is entitled "The Other Economy." It insightfully describes the circumstances under which New England's nonprofit institutions represent one of the largest and misunderstood elements in the country.

[The article referred to follows:]

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STIRRINGS IN THE BLACKSTONE VALLEY

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NEW ENGLAND BUSINESS.

THE OTHER ECONOMY

PAGE 14

Which industry sector employs more people in New England's 250 leading industrials?

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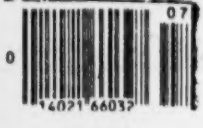

COVER STORY

The 'Other' Economy

New England's nonprofit institutions represent one of the largest—and most misunderstood—elements in the country.

By Lisa McGurrin

If I had one wish, it would be to change what we call the *nonprofit* sector to *tax-exempt business*. It changes how we think of the aura of the organization. What it *is* is a business," explains Joseph Breiteneicher, president of Beacon Management Co. of Boston and the former director of the Bird Foundation, which was established by Bird Inc. of East Walpole, Mass.

Breiteneicher, who has been involved in nonprofit organization, management and funding for the past 20 years, echoes the thoughts of many people who work in the nonprofit sector: In the minds of most people, the association evoked by the term nonprofit are mythical. Nonprofit, he continues, is not synonymous with small, insignificant, poorly managed or low budget.

The nonprofit sector is often perceived to be a minute part of the New England economy, employing only a handful of people, and managed by unwieldy committees of bureaucrats and huge boards of ceremonial directors who rarely make more than token appearances. But the 100 largest nonprofit companies employ more people than the region's 100 leading industrials. In fact, the revenues and businesslike approach of many of the institutions rank them among the region's biggest businesses. And, the supporters say, the best nonprofits are run little differently than well-managed businesses.

And perhaps more so than other big businesses, the educational institutions, hospitals, and public administration rank as the largest employers in the region. They inject millions of dollars into the economy through the payment of salaries and the purchase of goods and services. They are New England's "other" economy.

New England's Top 100 Hospitals

	Hospital	Operating Revenues (in millions)	Total Assets (in millions)	Operating Expenses (in millions)	Employees Full Time	Part Time
1	Mass. General Hospital Boston	$349.2	$280.0	$347.3	6,500	
2	Brigham & Women's Hospital Boston	207.4	248.4	204.8	5,000	9
3	New England Medical Center Boston	200.0	210.0	190.0	4,500	
4	Yale-New Haven Hospital New Haven	170.7	174.1	165.1	3,074	1,764
5	Children's Hospital Corp. Boston	167.7	211.6	157.8	2,900	1,200
6	Hartford Hospital Hartford	163.2	155.0	156.2	2,980	1,320
7	Beth Israel Hospital Boston	154.6	138.2	225.6	2,740	690
8	Rhode Island Hospital Providence	146.2	228.1	146.9	3,158	1,679
9	Baystate Medical Center Springfield, Mass.	134.8	165.6	132.7	2,680	1,416
10	New England Deaconess Boston	113.0	110.2	70.9	2,430	690
11	University Hospital Boston	105.0	79.0	84.0	1,900	75
12	Maine Medical Center Portland	104.7	147.2	101.7	2,684	
13	Saint Francis Hospital Hartford	103.6	93.8	98.6	2,137	716
14	Lahey Clinic Medical Center Burlington, Mass.	99.0	133.5	96.8	1,524	418
15	Boston City Hospital Boston	96.9	121.7	102.0	2,724	327
16	Ulticare Medical Center Worcester	96.8	90.1	88.0	2,048	509
17	Hospital of Saint Raphael New Haven	96.0	93.0	92.0	2,500	
18	Medical Center Hospital Burlington, Vt.	93.2	103.6	72.0	1,800	800
19	Norwalk Hospital Norwalk, Conn.	77.5	74.7	78.8	1,491	419
20	VA Medical Center Boston	74.9		74.9	1,615	422
21	AtlantiCare Corp. Lynn, Mass.	74.7	71.9	74.1	1,774	

	Hospital	Operating Revenues (in millions)	Total Assets (in millions)	Operating Expenses (in millions)	Employees Full Time	Employees Part Time
22	Mount Sinai Hospital Hartford	74.3	42.4	66.2	1,501	540
23	Bridgeport Hospital Bridgeport, Conn.	72.9	30.9	74.7	2,300	
24	St. Mary's Hospital Waterbury, Conn.	71.9	62.8	59.1	1,113	621
25	Mary Hitchcock Memorial Hanover, N.H.	71.7	73.0	70.3	1,494	467
26	Eastern Maine Health Care Bangor	71.4	68.5	70.8	2,200	
27	Danbury Hospital Danbury, Conn.	71.4	102.6	70.5	1,275	915
28	Saint Vincent Hospital Worcester	71.3	47.9	67.7	2,413	
29	Waterbury Hospital Waterbury, Conn.	70.6	58.8	72.1	1,887	707
30	Saint Joseph Hospital Providence	64.2	33.9	62.3	2,048	
31	Newton-Wellesley Hospital Newton Lower Falls, Mass.	59.8	47.9	55.8	1,605	915
32	VA Medical Center West Haven, Conn.	58.9	49.8	56.1	1,195	225
33	New Britain General New Britain, Conn.	58.2	61.8	55.7	1,089	865
34	Carney Hospital Boston	57.3	69.3	57.0	1,361	782
35	Worcester Memorial Worcester	56.3	43.4	56.5	1,804	887
36	Mount Auburn Hospital Cambridge	56.3	51.2	54.3	1,054	
37	Salem Hospital Salem, Mass.	55.7	36.2	54.7	1,095	704
38	Charlton Memorial Fall River, Mass.	51.8	66.2	51.9	1,586	
39	Middlesex Memorial Middletown, Conn.	51.2	47.4	50.1	887	588
40	UConn Health Center Farmington, Conn.	50.3	46.1	50.2	907	289
41	Framingham Union Hospital Framingham, Mass.	49.9	34.7	49.5	727	797
42	Mass. Eye & Ear Infirmary Boston	49.9	17.0	50.4	1,200	
43	Dana-Farber Cancer Inst. Boston	48.3	76.3	49.4	1,100	
44	Norwood Hospital Norwood, Mass.	48.2	67.1	41.0	768	771
45	Edith N. Rogers VA Hospital Bedford, Mass.	48.2	47.6	48.9	1,278	
46	St. Luke's Hospital New Bedford, Mass.	48.0	52.3	47.7	1,250	450
47	Lawrence and Memorial New London, Conn.	47.4		47.3	1,400	
48	McLean Hospital Belmont, Mass.	46.1	28.7	44.1	1,672	
49	Miriam Hospital Providence	46.0	30.4	44.5	992	481
50	Lawrence General Lawrence, Mass.	46.0	25.7	38.8	661	707
51	Berkshire Medical Center Pittsfield, Mass.	45.9	48.3	47.8	950	547
52	Brockton Hospital Brockton, Mass.	44.7	48.6	44.4	1,300	
53	Stamford Hospital Stamford	44.6	58.7	43.5	886	253
54	Waltham Hospital Waltham, Mass.	44.4	38.8	44.8	855	456
55	Roger Williams General Providence	44.2	38.2	37.5	1,016	267
56	South Shore Hospital South Weymouth, Mass.	43.5	38.2	43.3	1,055	
57	Walter E. Fernald State Waltham, Mass.	43.5	49.7	54.3	2,380	
58	Mid-Maine Medical Center Waterville, Maine	43.0	48.5	42.0	1,300	

A study by the Massachusetts Hospital Association reports that hospitals in Massachusetts generated more than $2.21 billion, or 6.7%, of all payroll dollars in the state in 1982. The nonprofit arts industry, considered to be one of the smaller components of the nonprofit sector, spent a total of $213 million in New England, according to a 1978 study by the New England Foundation for the Arts. Clearly, nonprofit organizations as a whole contribute a great deal to the region, not only because of the services they provide but also because of their very tangible economic effect.

This other economy is extremely diverse. It includes institutions in education, health services, defense and scientific research, public housing construction, the arts, and much more. They are working in widely different enterprises, with the only common thread their tax-exempt and nonprofit status. Nonetheless, the range is from operations with multimillion dollar budgets to others that struggle to survive from month to month.

Executive Graveyard?

One issue that seems to have been addressed by all nonprofits in recent years has been management. The nonprofit sector is often perceived to be mismanaged or non-managed. While most directors of nonprofit organizations will agree that this may have been true in recent years, they contend now that the situation is rapidly changing. The issue at stake is survival. Many nonprofit institutions that don't become more businesslike and efficient will have a difficult time surviving in the 1980s. This is true not only for the small, nonprofit organizations, but also for the larger operations.

"Ten years ago it was pretty much carte blanche. Hospitals had carte blanche to provide the services they wanted to. They really didn't have to be as concerned with the bottom line as they are today," says Dr. Mitchell T. Rabkin, president of Beth Israel Hospital in Boston. Rabkin says that with cutbacks in government funding, and the more sophisticated behavior of business as health-care buyer, hospitals have been forced to tighten their belts. Hospitals also face the problem of increased competition, as the shaping of economic incentives in health care is captured by those who are paying the bills—typically, American business. As a result, hospitals have had to become better managers and planners.

"There's been an odyssey in terms of strategic planning," says Rabkin. "The initial concept for hospitals three decades ago was physical planning. The notion shifted from building buildings to trying to do program planning. More recently the notion has shifted from long-range planning to strategic planning. There's

continued

...continued

more thoughtful evaluation of the environment and of where the environment is going and how it is affecting the institution."

Nonprofit Competition

Richard A. Pozniak, director of public relations for the Massachusetts Hospital Association, agrees with Rabkin. Pozniak says that competition is one of the biggest problems facing the health care industry.

"The hospital industry is more competitive than high tech," says Pozniak. Because of this competition and financial cutbacks and budget caps, most hospitals have had to streamline their management operations to become more efficient and innovative. Hospitals are in a corporate reorganization phase. Pozniak says that 75% of the hospitals in the state have reorganized in the last three or four years. Many now have for-profit subsidiaries such as home health-care services as part of the nonprofit structure. These subsidiaries are used as a new method of raising revenues for the nonprofit entity.

While some hospitals are looking toward nontraditional methods of raising revenues, most are also changing their management practices. There is a trend toward being more businesslike and moving into the areas of marketing and advertising. Delivering health care is still the primary goal of the hospitals, but they are attempting to do so in a more efficient, effective manner. According to Rabkin, hospitals have focused on doing more planning, budgeting and evaluation of long- and short-range plans.

Hospitals aren't the only nonprofits that are becoming aware of the bottom line and better management practices. Higher education is also feeling the pressure to become more businesslike.

Melvin H. Bernstein, president of Bernstein Group Inc. of Boston and senior fellow at the New England Board of Higher Education, says that because of economic and cost pressures of recent years, higher education has had to place more emphasis on strategic planning. He believes that higher education has always had planning, but not in a structured way. Strategic planning has only come into vogue within the last 10 years.

"Greater emphasis on stragic planning opened up new vistas," says Bernstein. "People started to consider new markets for enterprise and the external environment of the organization."

Fight for Survival

Bernstein believes that the criticism of higher education as being poorly managed may have been true traditionally, but that higher education is in a process of change. According to Bernstein, private institutions tend to be better man-

	Hospital	Operating Revenues (in millions)	Total Assets (in millions)	Operating Expenses (in millions)	Employees Full Time	Employees Part Time
59	Bon Secours Hospital Methuen, Mass.	42.2	25.*	36.5	702	717
60	Kent County Memorial Warwick, R.I.	42.1		42.8	1,870	
61	Cape Cod Hospital Hyannis, Mass.	42.0	33.#	43.1	743	480
62	VA Medical Center Togus, Maine	41.5	25.2	41.5	1,041	
63	Union Hospital Lynn, Mass.	41.0	39.2	36.0	750	385
64	Memorial Hospital Pawtucket, R.I.	40.4	28.*	38.9	894	492
65	Greenwich Hospital Greenwich	40.3	38.7	37.8	814	327
66	Catholic Medical Center Manchester, N.H.	40.2	51.0	38.6	758	462
67	VA Medical Center Providence	39.5	26.5	39.5	810	55
68	Mercy Hospital Springfield, Mass.	39.4	39.2	37.8	748	535
69	New England Baptist Boston	39.3	26.7	39.3	1,250	
70	New England Memorial Stoneham, Mass.	39.3	7.6	35.9	784	204
71	Manchester Memorial Manchester, Conn.	38.7	43.3	36.3	625	475
72	Quincy City Hospital Quincy, Mass.	38.5	15.5	37.6	715	369
73	Griffen Health Services Derby, Conn.	37.1		36.2	1,100	
74	Burbank/Central Mass. Sys. Fitchburg, Mass.	36.6	26.5	30.0	810	100
75	Choate Symmes Health Serv. Woburn, Mass.	36.1	50.7	35.9	1,066	
76	Beverly Hospital Beverly, Mass.	36.1	52.1	35.7	577	638
77	Institute of Living Hartford	35.2	32.5	34.0	944	154
78	Concord Hospital Concord, N.H.	35.0	45.3	32.7	860	240
79	Elliot Hospital Manchester, N.H.	34.3	51.4	32.4	687	211
80	Malden Hospital Malden, Mass.	34.2	45.6	32.4	624	514
81	VA Medical Center Northampton, Mass.	34.2	21.2	34.7	978	
82	Saint Joseph's Hospital Lowell, Mass.	34.0	25.3	25.6	585	372
83	Bristol Hospital Bristol, Conn.	33.7	25.7	30.3	824	197
84	Rutland Regional Medical Rutland, Vt.	33.6	22.3	23.5	496	366
85	Goddard Memorial Hospital Stoughton, Mass.	33.4	35.2	33.2	525	529
86	Kennebec Valley Medical Augusta	32.5	22.7	23.0	527	282
87	General Hospital Cranston, R.I.	32.2		32.1	1,043	
88	Cardinal Cushing Hospital Brockton	32.0	20.8	31.6	566	600
89	Morton Hospital Taunton, Mass.	31.4	36.0	31.0	547	420
90	Lowell General Hospital Lowell, Mass.	31.2	42.1	31.7	617	514
91	Park City Hospital Bridgeport, Conn.	30.7	9.7	26.2	502	257
92	Melrose-Wakefield Hospital Melrose, Mass.	30.3	26.3	30.2	549	495
93	Worcester Hahnemann Worcester	23.9	16.7	29.5	896	304
94	Saint John's Hospital Lowell, Mass.	29.5	26.7	29.5	550	550
95	VA Medical Center Newington, Conn.	29.4	20.8	29.0	563	

	Hospital	Operating Revenues (in millions)	Total Assets (in millions)	Operating Expenses (in millions)	Employees Full Time	Employees Part Time
96	Fairfield Hills Hospital Newtown, Conn.	29.3	84.9	29.3	1,058	50
97	Emerson Hospital Concord, Mass.	29.0	25.0	29.0	612	487
98	Holyoke Hospital Inc. Holyoke, Mass.	29.0	13.8	28.3	565	431
99	Women & Infants Hospital Providence	29.0	61.9	28.9	641	414
100	Meriden-Wallingford Meriden, Conn.	28.4	41.0	29.0	1,000	

New England's Top 75 Colleges

	School	Total Expenditures and Transfers (in millions)	Total Assets (in millions)	Employees Full Time	Employees Part Time
1	Harvard University* Cambridge	$471.9	$1,547.6	11,500	
2	MIT Cambridge	387.1	981.8	8,400	1,500
3	Yale University New Haven	325.6	1,800.0	6,325	1,431
4	University of Massachusetts Boston	304.7	527.3	10,370	
5	Boston University Boston	246.1	351.1	4,800	1,800
6	University of Connecticut Storrs, Conn.	169.8		4,390	722
7	Northeastern University Boston	164.4	193.6	2,383	3,927
8	Dartmouth College Hanover, N.H.	114.3	538.1	2,274	268
9	Tufts University Medford, Mass.	113.4	179.7	2,300	700
10	Brown University Providence	112.8	388.6	2,381	236
11	University of Vermont Burlington, Vt.	108.1	218.6	2,593	226
12	Boston College Chestnut Hill, Mass.	106.4	203.7	1,276	650
13	University of Rhode Island Kingston, R.I.	105.6	204.0	3,000	
14	University of N.H.* Durham, N.H.	78.9	300.7	1,824	349
15	Brandeis University Waltham, Mass.	71.4	237.3	1,235	207
16	UConn Health Center Farmington, Conn.	57.1	130.5	3,000	
17	Univ. of Maine at Orono* Orono, Maine	55.1	160.0	1,900	480
18	Smith College Northampton, Mass.	53.3	297.1	1,110	210
19	Wellesley College Wellesley, Mass.	45.7	259.0	744	241
20	University of Hartford West Hartford, Conn.	44.3	67.5	900	1100
21	Wesleyan University Middletown, Conn.	41.3	305.5	700	100
22	University of Bridgeport Bridgeport, Conn.	38.7	74.0	715	250
23	Rhode Island College Providence	35.1	50.0	806	232
24	Worcester Polytechnic Inst. Worcester	34.5	119.2	496	178
25	College of the Holy Cross Worcester	31.2	111.3	536	80
26	Central Conn. State Univ. New Britain, Conn.	31.1	83.8	890	247
27	Williams College Williamstown, Mass.	30.0	324.0	538	150

need because they receive most of their funding from tuition and philanthropy, while public higher education was more interested in growth than in effective management practices. Both private and public higher education institutions have been forced to reevaluate themselves both academically and economically. "It's a question of survival," says Bernstein. "When budgets were plentiful there wasn't the pressure to have efficient management. Faculties resisted efficient management, and the schools had a more academic approach. They tried to thwart fiscal efficiencies." He believes that schools have had to be more efficient and effective in raising revenues, selling services and holding down costs.

The days of readily available money and non-businesslike approaches to nonprofit management are quickly coming to an end. There is a major trend for the nonprofit sector to look away from government and increasingly toward the traditional business sector for contributions and support. And when it does, it finds that corporations will only support the institutions that have, or are capable of developing, the management skills to keep the organizations running.

"This decade is a watershed period," says Breiteneicher. "We will never return to the funding of the programs of the past. The configuration of support is dramatically different. Ronald Reagan may have caused that, but it would have happened anyway for lots of reasons." While their funding is being cut, many are at the same time facing increasing demands for services because of cutbacks in government programs. The public sector is increasingly looking toward nonprofits as a resource. Nonprofits are coming under pressure on all sides and are having to learn to survive in the 1980s.

Many people in the nonprofit sector would agree that nonprofits were never forced to become more businesslike in the past. Although some nonprofit organizations were very efficient and effective, that wasn't the case for all. When the funding was readily available no one was really concerned with management practices. "Somehow or other, financial good behavior, fiscal responsibility, organizational strength and development, and long-range planning were seen as enemies of carrying out your mission instead of understanding that they are in fact really part and parcel of the business of running a tax-exempt business," says Breiteneicher.

He contends that quite often most nonprofit providers of services aren't taught to worry about business matters. "They're taught to care about people," Breiteneicher says, "but how the hell can you care for the people if you can't keep the doors open? They have to be business

continued

people. Planning and fiscal responsibilities aren't luxuries." Being motivated by an ethical, moral concern shouldn't send you to the poorhouse, he adds.

Many people argue that part of the problem is that there is little support from the "giving community," and even less from the broader community as a whole in helping nonprofits develop the business skills they need to survive. There are few good programs to fall back on in terms of training and advice. There are a few nascent efforts afoot, but they are few and far between.

Breiteneicher cites Tufts University of Medford, Mass., as having one of the best programs. The Urban and Environment Policy program at Tufts is a two-year master's program that includes training in management of nonprofits. Most of the students have work experience, and their career goals are to work for and lead nonprofit organizations.

Robert M. Hollister, chairman of the Tufts program, has a strong commitment to the nonprofit sector. His department not only offers two-year master's programs, but also one-week, intensive-training sessions for nonprofit directors and others in nonprofit management. This Institute for Management and Community Development was first offered last summer and will be offered this May. This program fills the void by assisting nonprofit managers in increasing or developing the skills they need to support their organizations.

"The idea that nonprofits are managerially weak and need to adopt the management techniques of the private sector is a dangerous myth," contends Hollister. "There should be a commitment to increase management techniques, but in a way that makes sense for the nonprofits. There should be an appreciation that being more effective is different for nonprofits than for businesses in the private sector." Business school methods and ideas, he says, can't be directly applied to nonprofits; they are different, with different needs and different problems.

"The talent is out there to make things happen, to keep organizations alive," says Breiteneicher. "It just needs to be supported and buttressed because we just didn't ask those things of them before." He explains that the money provided up until the Nixon years didn't require directors of nonprofits to be good managers. "What they wanted you to do was either innocuous things or a cause, depending on what they were funding." Rob Hollister of Tufts believes that 15 years ago people thought that being on the right side and having good intentions were enough. Today, people preparing for careers in nonprofits aren't just talking about the cause, but also have a commitment to being effective leaders and manag-

	School	Total Expenditures and Transfers (in millions)	Total Assets (in millions)	Employees Full Time	Employees Part Time
28	Southern Conn. State Univ. New Haven	29.7	19.0	637	230
29	Community College of R.I. Warwick, R.I.	29.6	44.1	619	14
30	University of Southern Maine* Portland	29.5	211.5	747	123
31	University of Lowell Lowell, Mass.	29.0	64.0	990	200
32	New Hampshire College Manchester, N.H.	28.2	30.2	355	1,000
33	Southeastern Mass. Univ. North Dartmouth, Mass.	27.8	32.9	789	51
34	Bentley College Waltham, Mass.	27.8	87.2	616	402
35	Providence College Providence	26.9	70.5	640	
36	Mount Holyoke College South Hadley, Mass.	26.6	156.0	865	200
37	Amherst College Amherst, Mass.	26.4	173.2	510	50
38	Middlebury College Middlebury, Vt.	25.3	124.4	700	
39	Suffolk University Boston	25.0	41.2	470	189
40	Salem State College Salem, Mass.	24.5	25.0	534	629
41	Clark University Worcester	24.1	70.8	499	157
42	Fairfield University Fairfield, Conn.	23.3	72.7	500	450
43	Simmons College Boston	21.9	80.0	425	100
44	Trinity College Hartford	20.4	119.8	379	100
45	Bowdoin College Brunswick, Maine	20.2	115.3	510	50
46	Wentworth Inst. of Technology Boston	19.3	49.2	357	100
47	Bridgewater State College Bridgewater, Mass.	19.2	27.9	774	1000
48	Colby College Waterville, Maine	18.9	130.0	600	
49	Fitchburg State College Fitchburg, Mass.	18.8	92.7	469	14
50	Bryant College of BA Smithfield, R.I.	18.6	73.4	370	170
51	Western New England College Springfield, Mass.	18.4	34.0	350	400
52	Connecticut College New London, Conn.	18.4	71.2	450	180
53	Norwich University Northfield, Vt.	18.3	42.4	579	34
54	University of New Haven West Haven, Conn.	16.9	25.4	350	300
55	Babson College Wellesley, Mass.	16.1	30.3	360	89
56	Quinnipiac College Hamden, Conn.	15.7	36.2	400	250
57	R.I. School of Design Providence	15.4	43.1	538	
58	Wheaton College Norton, Mass.	15.1	47.2	412	
59	Keene State College Keene, N.H.	14.7		340	100
60	Bates College Lewiston, Maine	14.3	55.2	419	131
61	Lesley College Cambridge	14.0	14.3	425	
62	Western Conn. State Univ. Danbury, Conn.	13.9	58.3	423	225
63	Hampshire College Amherst, Mass.	13.8	41.0	325	

	School	Total Expenditures and Transfers (in millions)	Total Assets (in millions)	Employees Full Time	Employees Part Time
64	Merrimack College North Andover, Mass.	13.8	15.8	313	76
65	Westfield State College Westfield, Mass.	13.6	20.3	379	41
66	Assumption College Worcester	13.6	17.3	225	65
67	Sacred Heart University Bridgeport, Conn.	13.6	3.9	297	210
68	Saint Michael's College Winooski, Vt.	13.1	33.9	351	58
69	Emerson College Boston	13.0	22.0	295	
70	Springfield College Springfield, Mass.	12.7	32.9	412	
71	Saint Anselm College Manchester, N.H.	12.0	32.8	347	77
72	Roger Williams College Bristol, R.I.	11.5	30.7	500	
73	Worcester State College Worcester	11.5	15.6	356	
74	Eastern Conn. State Univ. Willimantic, Conn.	11.1	30.6	342	165
75	Salve Regina-Newport College Newport, R.I.	10.8	9.1	400	

FOOTNOTES

Harvard University: Assets listed only include the university's endowment. The university doesn't report fixed assets.

University of New Hampshire: Assets listed are for the entire state university system.

University of Maine, Orono: Assets listed are only for the physical plant of the entire state university system.

University of Southern Maine: Figures are for the University of Maine system.

New England's Biggest State and Municipal Governments

		Total Revenues (in millions)	Total Expenses (in millions)	1983 Population	1983 Full-time Employment
1	Massachusetts	$9,383.0	$9,332.0	5,787,000	75,454
2	Connecticut	4,707.0	4,427.0	3,138,000	46,098
3	Rhode Island	1,835.0	1,708.0	955,000	20,834
4	Maine	1,685.0	1,671.0	1,146,000	18,325
5	Boston	1,308.6	1,028.0	562,994	31,629
6	New Hampshire	1,167.0	1,109.0	959,000	13,985
7	Vermont	900.0	890.0	525,000	10,373
8	Springfield, Mass.	263.4	156.8	152,319	8,073
9	Worcester	243.6	232.7	161,799	6,583
10	Hartford	218.4	218.3	136,392	5,564
11	Cambridge	205.7	159.4	95,322	4,742
12	Bridgeport, Conn.	166.3	166.3	142,546	4,191
13	Providence	153.7	152.4	156,804	3,937
14	Stamford	147.6	147.6	102,453	3,467
15	New Haven	145.9	145.9	126,109	1,538
16	Quincy, Mass.	139.2	130.3	84,743	3,557
17	Newton, Mass.	128.1	107.9	83,622	2,811
18	Fall River, Mass.	122.8	91.7	92,574	2,828

ers. They have to have an understanding of cash flow and budget management.

Nonprofits are now making efforts to become more efficient and effective. They have to find ways to stretch their resources. And as part of this, they've rediscovered the board of directors. They are starting to pick board members who can be a dynamic force in their institutions, not only for fund-raising, but also to force nonprofits to plan and to provide business expertise. Breiteneicher says that a board member can't "check his brain at the door."

"One of the most frequent frailties of nonprofits is the frailty of their board in terms of the mix of people and the expectations of what they'll do," says Hollister. A nonprofit needs a good mix of resources and skills in its board members. The board of directors of a nonprofit organization is one resource that is free and can prove to be invaluable.

They are also looking toward more creative means of financing. Most small- and medium-sized nonprofits have no access to credit. The Commonwealth of Massachusetts and the Associated Grantmakers of Massachusetts have made loans available through their emergency loan fund. The fund is available for all nonprofits with annual budgets under $500,000. Its purpose is to provide short-term loans to assist nonprofit groups with cash flow problems resulting from delays in reimbursements for services performed. This emergency loan fund is the only one of its kind in the country. Having made almost 70 loans for a total of $500,000, the fund has less than a 3% default rate. Given the risk factor, he's not sure that financial institutions could do any better. Breiteneicher cites this as evidence of the skill and responsible behavior in the sector. "We beat the banks at their own game," says Breiteneicher.

New England is not a hospitable environment in terms of corporate philanthropy, according to Breiteneicher. "There isn't a lot of money. There aren't that many easily accessible large philanthropic sources. We're an importer of philanthropy. Businesses are late waking up to the needs of nonprofits. The problem is that the good ones—the Digitals, the Cabot Corps, and the State Streets—are constantly overrun with requests. The high tech guys have yet to have it dawn on them that they have some fuller social responsibilities. There aren't as many avenues of support for the nonprofits.

"One of the major transformations that's starting to occur is that corporate donors are starting to realize that giving isn't a charity; it's an investment. It's good for the economic climate of New England," says Breiteneicher.

Despite the changes, nonprofit institutions and organizations are here to stay.

continued

Hollister of Tufts believes that the nonprofit sector has a robust future. It plays a special role in our democratic society, and the commitment to nonprofits is deeply embedded in our political consciousness. Breiteneicher agrees: "This has been always a part of the fabric of American life. This sector isn't here by default. It may have been dwarfed by the government's money or by private industries' money or efforts, but it has always been here and should always be here in terms of diversity in this country. It's part of why we've managed to stay democratic or even slightly so. It's always going to be with us. Therefore let's get it out from the shroud, the penumbra; let's move it into the daylight and study it and help it."

Where the Information was Found

This is the first time *New England Business*—or any other organization of our knowledge—has tried to list the largest nonprofit institutions in the region. Although we used the available resources, there is no central clearinghouse for nonprofit information and no directories of nonprofits. We used state and local directories, industry directories and tourism information as sources for the list.

Information for the Higher Education list was provided by the individual schools. In cases when numbers were unavailable, the boards of higher education in each of the states and attorney general offices were used as resources.

The source for the government list is the U.S. Census Bureau, and in some cases, the cities themselves.

All data for the hospital lists was provided by the institutions themselves. The National Hospital Association Directory was used as a resource also. Saint Elizabeth's Hospital of Boston was the only hospital that declined to provide us with information.

State information guides and tourism information were used as resources for the miscellaneous list. When the information was unavailable, in some cases state agencies were used to provide the information. Foundations or other nonprofit organizations that have sizable assets but few employees and small revenues were not included.

Blue Cross and Blue Shield of Connecticut was not included in the list because it changed its status from nonprofit to a taxable mutual form of organization in 1984.

		Total Revenues (in millions)	Total Expenses (in millions)	1983 Population	1983 Full-time Employment
19	Brockton, Mass.	117.1	110.9	95,172	2,892
20	Lynn, Mass.	114.6	121.6	78,471	2,209
21	Lowell, Mass.	107.5	98.8	92,418	2,353
22	Waterbury, Conn.	104.5	104.5	103,266	2,999
23	Warwick, R.I.	95.4	90.9	87,123	2,326
24	Holyoke, Mass.	96.1	99.9	42,219	1,843
25	New Bedford, Mass.	93.0	92.6	98,478	4,025

Miscellaneous Nonprofits

		Operating Revenues (in millions)	Total Assets (in millions)	Operating Expenses (in millions)	Employees Full Time	Employees Part Time
1	Blue Cross & Blue Shield Boston	$1,861.4	$1,865.0	$865.8	3,825	
2	Blue Cross & Blue Shield Providence	380.0	372.0	118	1,600	
3	Mitre Corp. Bedford, Mass.	287.3	283.6	75.3	5,000	550
4	Blue Cross & Blue Shield Portland	224.8	224.4	85.5	520	
5	Charles Stark Draper Lab. Cambridge	206.5	193.0	105.4	1,786	370
6	Blue Cross & Blue Shield* Concord, N.H.	197.0	193.0	45.3	325	
7	Blue Cross & Blue Shield Montpelier, Vt.	81.2	71.3	19.9	40	
8	WGBH Educational Found. Boston	53.3	52.1	38.4	400	100
9	Woods Hole Oceanographic Woods Hole, Mass.	47.0	47.0		850	
10	Museum of Fine Arts Boston	30.3	24.0	167.4	388	84
11	Jackson Laboratory Bar Harbor, Maine	15.9	14.9	25.0	455	
12	Boston Symphony Orchestra Boston	14.2	18.5	38.0	206	690
13	Mystic Seaport Museum Inc. Mystic, Conn.	9.1	6.1	17.1	252	50
14	Museum of Science Boston	7.5	5.4	41.4	250	
15	Old Sturbridge Village Sturbridge, Mass.	7.0	7.1	11.6	500	
16	Springfield Lib. & Museum Springfield, Mass.	6.6	6.2	15.5	190	60
17	New England Aquarium Boston	5.7	5.7	11.9	115	24
18	Appalachian Mountain Club Boston	4.5	4.7	5.6	75	25
19	Common Fund Fairfield, Conn.	4.0	3.2	2.5	11	
20	Boston Ballet Inc. Boston	3.5	4.1	1.9	70	210
21	Mystic Marinelife Aquarium Mystic, Conn.	3.1	3.6	5.9	52	61
22	Boston Children's Museum Boston	3.2	2.5	7.8	72	53
23	Wadsworth Atheneum Hartford	3.0	3.1	6	110	
24	Worcester Art Museum Worcester	2.7	2.4	22.8	80	24
25	Plimoth Plantation Plymouth, Mass.	2.5	2.4	2.2	50	

Mr. TRACHTENBERG. I believe the administration's proposals to cut student aid will seriously erode the ability of this aspect of the New England economy that contributes not only to the direct goods and services that it provides, but also the jobs and the economic engine that it represents.

So, for example, I am advised by John Carson, the Connecticut commissioner for economic development, that my modest university is the 18th largest employer in greater Hartford and the 86th largest employer in the entire State of Connecticut. We represent an operating budget in excess of $50 million and have consistently brought in balanced budgets notwithstanding an endowment which has only recently approached $12 million.

I would conclude my remarks by strongly urging our lawmakers in Washington to thwart the ill-advised and pernicious attempts by the Reagan administration to turn back the clock to some dark age where only the sons and daughters of the rich would be allowed to reap the benefits of an American higher education. Thank you very much, Senator.

Senator WEICKER. And now President Giamatti of Yale. Steve was not so bad, was he Bart?

Mr. GIAMATTI. No, he was OK.

Senator WEICKER. Bart was down the other day. He said if you let Trachtenberg go first nobody else is going to talk around here.

Mr. GIAMATTI. The president and I spoke beforehand, Senator, and he was just fine.

Good morning, sir. I am very pleased to have this opportunity to testify before you and to speak publicly in opposition to the drastic cuts in Federal student aid proposed by this administration.

Before I address the substance of these proposals I wish to emphasize strongly that I am not opposed to higher education assuming a fair share of appropriate budget cuts in order to reduce our national deficit. These proposals, however, are neither fair nor appropriate.

Under the guise of curbing abuse, these cuts would result in the immediate loss of $2.3 billion in direct aid to over 1 million financially needy students across America. This proposal is particularly onerous because it attempts unabashedly to reverse this Nation's 200-year-old history of support for higher education.

And, finally and perhaps most important, these ill advised cuts would erode steady movement we have made as a nation toward equal access to higher education. The effects of these proposals will be seen and felt in the lost aspirations of students whose choices and options will be limited once again by the accident of family wealth.

The administration proposes to reduce the Federal expenditures for higher education in the fiscal year budget for 1986 by 25 percent. Most of the savings come from the elimination of aid to financially needy students by substituting arbitrary family income caps for standardized needs analysis tests.

Further savings are sought by limiting all financial aid for an individual recipient to a maximum of $4,000 in Federal grants or subsidized loans regardless of their need for more assistance.

And, finally, the administration has proposed to eliminate completely all graduate level programs including those which have focued on the lowest income and on minority students.

Secretary Bennett, attempting to minimize the harsh effects of these cuts suggests that students will merely have to divest themselves of luxuries such as stereos and vacations and cars. Such a comment trivializes the issue. The truth is much more sober. In actuality these cuts will, one, deprive the lowest income students of sufficient funds for higher education.

Two, reduce access to capital for many students, graduate and professional students in particular, who must borrow to attend any institution of higher education.

Three, limit the choice of educational programs in institutions for all but the students from the wealthiest families.

And, four—and I do not think I can eamphsize this enough, Senator, it will slash the most precious commodity of all, which is hope.

At Yale University, for example, where more than 5,400 of the 10,000 graduate, professional and undergraduate students receive some form of Federal assistance, 5,092 currently eligible students would lose Federal student aid funds.

Half of those would lose vital loans because their family incomes exceed $32,500; 2,200 financially needy students including over 1,500 graduate and professional students would lose a portion of their guaranteed student loans because they require more than $4,000 in Federal assistance to cover their educational expenses.

Yale's experience is not unusual. Over 1 million students in public and private colleges and universities across the country would suffer similar losses. The primary argument advanced by the administration in support of these drastic proposals is that the Federal Government has become too involved in financing higher education and that it is now time for university students and parents to assume the costly burdens.

Let me, sir, set the record straight. Parents, students, and universities already carry the primary burden of financing higher education, and if I may, I will cite an example from the place I know best. Last year Yale devoted $26.2 million of its own funds to provide grants to 5,200 students of which $9.2 million went to undergraduate students. In that year Yale College undergraduate grants exceeded Federal grants by a ratio of 7 to 1.

Even with the availability of Yale and Federal grants Yale College financial aid students and their parents are still responsible for 55 percent of tuition, room, and board. In fact, Yale has long required that undergraduate students contribute specified amount of summer earnings and so-called self-help above that which their parents are able to contribute.

This year the average undergraduate student has to contribute, regardless of how much financial aid he or she gets, on the average of about $4,900; 90 percent of the undergraduate financial aid students borrow are borrowed from Federal institutional loan funds to fulfill this requirement.

However, these are not grants; they are loans. They must be repaid and they must be repaid with interest regardless of actual earnings.

The fact is all of our institutions have, as we heard from our distinguished students earlier, an extraordinary number of students who are graduating from these institutions with remarkable debts already.

Although the particulars vary from institution to institution, the difficulties that Yale students face parallel those faced by students in private and public institutions across the Nation. Even though State governments contribute sufficient to reduce the tuition at public colleges and universities, those students, I am sure my colleague will tell us, also pay a substantial portion of tuition, room, and board.

Like their counterparts in private institutions, students at public universities still require grants and loans from the Federal Government to finance a large share of these costs. The impact of the proposed cuts, therefore, will not simply be felt in one sector of the educational world, but will be felt everywhere.

It is obvious that this administration needs to spend more time becoming familiar with the history of the Federal role in higher education; if it did, it would understand that the Federal Government has been a partner with universities and with colleges and with students and their parents in funding education since, indeed, the founding of this Nation.

A century and a half before the American Revolution, crown and colonial grants and subventions founded and encouraged 10 colleges in this country. Commencing in 1785 and continuing into the 20th century the Federal Government has donated millions and millions of dollars' worth of valuable property, and then lately funds for research, lately meaning by the middle of the 20th century, to both public and private institutions. The Federal Government began to direct funds to individual students in the 20th century as a way of providing access and choice first through the GI bill and later through a variety of educational laws. Student aid became the means of promoting access and choice among our diverse public and private institutions of higher education.

To encourage education was considered essential to the public good of the Nation, and it is one of the most distinctive aspects of our development as a country. Thus, the funds for student aid represent neither a spending binge nor greed by higher education for unneeded subsidy. These funds represent the best of our national character. They have been the catalyst for monumental change. By virtue of the student aid programs, our students have been encouraged to hope for themselves. Our Nation's colleges and universities, which is one of our greatest national treasures, have benefited from rising standards of excellence. And if I can for the last time, I will go back to the standard of Yale.

As you and I both know, Senator, Yale has undergone dramatic changes in the past 30 years. In the fifties when we were, if I may say so, both undergraduates at Yale college, the student body was drawn from an homogenous socioeconomic group; 60 percent of our classmates came from private secondary schools, and there were only a handful of students from minority groups. Students who attended Yale were those from families who could afford to pay its tuition and fees.

The picture began to change over 20 years ago when Yale College adopted its existing "need-blind" admission policy under which the university admitted top applicants regrdless of ability to pay the full cost of their education.

A year later as it happens Congress enacted the Equal Opportunity Act in response to the challenge posed by *Brown* v. *The Board of Education.* As the commitment to access and choice became reality students responded. As a result the entire fabric of Yale has changed in a way which is reflective of the changes, thank God, that have occurred in America.

Our student body is diversified and more talented; 17 percent of last year's incoming freshman class came from minority groups, 60 percent from public secondary schools, and academic ability has risen. This change would not have happened without the efforts and leaderships of each member of that partnership, Government, university, families, and individual students.

Nor is the work over; we cannot afford to respond only with talks of dollars or deficit reduction. Americans are also a people of principle who have only just begun to learn the worth of access, of choice. The costs of the absence of access and choice are too well known to us. We cannot, sir, afford as a nation to cut the hope for a better life that comes through education. Thank you. [Applause.]

Senator WEICKER. The next witness is President DiBiaggio of the University of Connecticut. John.

Mr. DIBIAGGIO. Thank you, Senator Weicker. I, too, appreciate this opportunity to testify before you and the subcommittee on the topic of student financial aid. I would remind you in doing so, Senator, that I represent not only the University of Connecticut, but I also serve as chairman of the committee on Federal legislation and as a member of the executive committee of the National Association of State Universities and Land Grant Colleges.

It seems to me imperative to suggest a context for this discussion before beginning. The interrelationship which knit together the national security, the national economy, and the status of our teaching and research universities have been superbly documented over the past decades.

What is most troubling about the proposed student financial aid reductions is not just the many ways in which these cuts will curtail opportunity for deserving students; equally disturbing is that such a proposal ignores the fact that higher education in general and student financial aid in particular are but one corner of a web of interdependence which has as its other anchor points the Nation's defense needs and the national economy. Unraveling one corner sends tremors across the entire structure and poses distinct threats to the future of the whole.

The administration's 1986 budget reflects what I would call radical cuts for higher education amounting to a 25-percent reduction below current adjusted levels. The vast majority of this reduction is proposed to be taken from student financial aid programs. I will comment on the impact of such a reduction on the student body of my current institution in just a moment.

Before doing so, however, I feel I must underscore the ricochet effect such a deep cut would have in other vital areas of our national interest over the next period of time.

The scientific and technologic advances upon which our Nation's defense programs are based and maintained are the products by an overwhelming majority of research by scholars at colleges and universities. Basic science and medical research undertaken within higher education institutions accounts for an incredible rate of return, $13 for every $1 invested in biomedical research, for instance, which nets the American economy millions of dollars in the form of additional jobs, increased employee productivity, and improved health of our work force.

And I would add parenthetically, Senator Weicker, that we have appreciated your support for scientific research and particularly your opposition to the immoral if not illegal reduction in the number of grants proposed by the National Institutes of Health after that number was recommended by the Congress in its last session.

Wholesale restriction of educational opportunity such as that proposed in the administration's financial aid cuts imposes an ominous lien on our Nation's capacity to deal with its future.

As important as it is to focus on the short term consequences of so drastic a curtailment of student access and opportunity as these proposed student aid reductions represent, that is only one side of the equation. In the longer term the effect of these reductions in higher education investment is to restrict and diminish the leadership capabilities of our entire Nation.

It is in that context, therefore, that I share with you the following brief summary of the major impact on the University of Connecticut students of proposed Federal budget reductions.

At the University of Connecticut our concern is in three basic areas: The proposed $4,000 ceiling on total Federal aid for any individual student in a single year from any source; the proposed family income cap of $32,500 in determining eligibility for Federal student guaranteed loans; and, the proposed $1,900 ceiling on Pell grants.

First, the proposed $4,000 ceiling on total individual Federal aid in any single year; an estimated 2,265 students are now receiving Federal aid at the University of Connecticut of approximately $13,485,000 or an average of $5,950 per student. The impact of the proposed reductions for the University of Connecticut is estimated to be about $4.5 million.

This would represent a reduction per student of $1,954.

Second, family income cap for guaranteed student loan eligibility; some 5,900 students at our institution are recipients of guaranteed student loans totaling $14,400,000. Of these students, 2,800 have family incomes which would exceed the proposed ceiling and would, therefore, be ineligible for this aid. Proposed reduced funding here would total for our institution approximately $5,800,000 or an average reduction of $2,071 in educational funds currently available to these students.

And, finally, Pell grant ceilings; approximately 2,500 students—and these are the neediest of all of our students—are currently supported by these grants at the university for a total of $2.1 million. Our best estimates indicate that this important means of student support would be reduced by at least a half a million dollars

under the administration's proposed reductions, and that would impact again the most needy students that we enroll.

Now, my colleagues within the other segments of public higher education and from the independent sector will have similar impact estimates for you, I know. Interestingly and importantly, they will report to you on areas other than those which I have mentioned as being of primary importance to the University of Connecticut. Each of us is dealing with a slighty different student population reflecting the board spectrum of educational resources traditionally available in the Northeast region.

Connecticut, like New England generally, is blessed, I believe, with a very diverse array of educational institutions to meet the broad range of student demand and societal need in this region. Far from presenting, however, a luxurious menu which can easily be pared, this multiplicity of institutions reflects the region's particular need.

Possessing no abundant supplies of natural resources, the region has based its economy on high technology and sophisticated service industries which require a highly trained workforce. In essence a well educated workforce is the primary natural resource for the Northeast region, a region whose economy is so largely based on its brain power as opposed to traditional heavy industry and is especially adversely affected by the disruption of educational access.

An additional program earmarked for major reduction in the administration's budget is one entitled—and you have heard me speak to this before, Senator—Special Programs for Students from Disadvantaged Backgrounds or TRIO. This group of support programs provides funds and special services to enable low income, first generation and physically handicapped students to pursue postsecondary educational programs as well as training persons to work with members of these groups.

The administration proposes to reduce TRIO funding by 53 percent. Now, our own experience locally has mirrored the national trend which has proven that low income and first generation college students having the benefit of TRIO programs and services are more than twice as likely to remain in school than students without such support.

To reiterate our commitment for access and opportunity to these disadvantaged groups in the face of a fiscal commitment scheduled to be cut in half is hypocritcal. To remove this funding in the face of explicit Federal guidelines and regulations, in my opinion, is disingenuous irony.

As I commented at the beginning of these remarks, I believe we make an enormous mistake if we view the proposed massive reductions in student Federal financial aid as having impact primarily upon a single generation of students.

As critical as that aspect of the issue really is, it is imperative to look beyond this perceived special interest group to the longer term national interests and the jeopardy in which it will be placed if we succomb to the temptation to indeed mortgage our Nation's brain power. Thank you. [Applause.]

Senator WEICKER. The next witness is Father Aloysius Kelley, the president of Fairfield University. Father, nice to have you with us.

Father KELLEY. Senator, thank you for the opportunity to testify.

In recent weeks some of the media focused attention on Catherine, one of our students at Fairfield University. She is an economics major, a member of the field hockey team, and a senior. She spent last summer in India with her idol, Mother Theresa, working in the most impoverished areas of that country scrubbing floors and caring for desperately poor infants.

Now she is back on campus completing her final year and urging others to become involved with those less fortunate than themselves.

There are many Catherines at Fairfield University and on other campuses throughout the Nation. And I thought of them as I read recent characterizations of college students that concentrated on stereos, beaches, and cars. Broad unsubstantiated allegations were made and distorting hyperbole was employed as a smokescreen to avoid a realistic appraisal of the financial aid needs of college students.

Let us rather use plain and simple language and hard data to examine the consequences of the proposed cuts. About 60 percent of Fairfield students receive some form of institutional, Federal, State, or other aid, including guaranteed student loans.

Our neediest students require as much as $6,500 per year from Federal sources supplemented by $2,000 from our own resources and $1,500 from the State of Connecticut in order to benefit from a Fairfield University education. The tuition and fees for incoming freshmen next fall will total more than $7,000 while room and board will amount to over $3,700.

At nearly $11,000 plus $1,000 for books and other expenses, Fairfield is in the middle range of American independent universities. However, the imposition of a $25,000 family income limitation on eligibility for participation in campus-based Federal programs would exclude 68 percent of our students who are currently receiving Pell grants, supplemental educational opportunity grants, work-study assistance, or national direct student loans.

In addition to the impact on campus-based programs, we are concerned by the damage that would be done by placing a maximum $32,500 on family income for guaranteed student loans. We calculate that under this maximum, 61 percent of our students would lose their eligibility for these low interest loans.

At present there is a $30,000 limit on family income with the understanding that loans are available to families earning beyond the maximum when need is demonstrated. At Fairfield many students come from large families. Half of all our students currently have brothers or sisters attending college. The family with an income of, say, $40,000 is certainly ahead of many Americans. However, when two or three children attend college simultaneously at over $10,000 each, the amount of remaining disposable income requires significant sacrifices.

Fairfield University now has a "need-blind" admission policy. We accept students based on their merit not on their pocketbook. Already a significant number of students are unable to accept our offer of admission because they cannot, even with help, afford to attend.

The proposed limitation would increase that number dramatically. Since 1981–82 through the current academic year Fairfield was forced to increase tuition by 37 percent. During the same period we increased assistance to students from university resources by 115 percent, from $890,000 to $1.9 million.

As a still maturing university—our first commencement was in 1951—we are largely tuition dependent and not yet in a position to subsidize our students heavily from a large endowment.

And yet since 1981–82 Federal assistance to our students dropped by 31.4 percent, from 6.2 million to 4.2. Similarly, guaranteed student loans slipped by 33 percent, from 5.2 million to 3.5. The proposed guidelines would wipe out another 2.1 million in guaranteed student loans for 915 students.

The proposed changes in assistance will rebuild walls of dollars around many of our universities, especially the independent ones, and promote a return to elitism. The proposed caps on Federal financial aid programs will reduce and in some cases eliminate free choice in selecting a college based on a specific educational program or religious affiliation or the closeness and personal contact of a small educational community.

We know that lower and middle income families face a financial strain when a child goes to college. There is a loss of a young person's contribution to the household's income as well as the education costs. Why then are we penalizing the families that are willing to borrow, pay the interest, and sacrifice. Our priorities are confused.

There is a strange irony that pervades the proposed changes in financial aid. Government leaders, the media, presidents of private, independent institutions and public institutions agree that the revisions would have the greatest impact on the independent colleges.

The current administration in Washington has repeatedly said it wants to get government off the backs of the people and maintains that government should remove itself from the areas that can be served by the private sector. However, in the field of education we are faced with proposals that would seriously weaken and in some cases destroy the private sector and deny help to those who wish to help themselves.

Senator, thank you again for the opportunity to make these comments. [Applause.]

Senator WEICKER. Thank you very much, Father Kelley. And now the testimony of Stephen Feldman, president of Western Connecticut State University. President Feldman, nice to have you.

Mr. FELDMAN. Senator Weicker, thank you and I join my colleagues in our appreciation for your having this hearing today.

At Western Connecticut State University, which is a State supported institution, our tuition, room, board, and fees for an in-State student is approximately $3,900. For an out-of-State student this would be $5,800. And yet of all of our full-time students, 48 percent still receive various types of loans, grants, or work-study moneys because of financial need.

Many of these students are first generation college students who obviously will pay much greater taxes and make more meaningful contributions to society because of their education.

Yet these are the very students who will most likely be driven from colleges and universities if the proposed cuts are made in Pell grants and the guaranteed student loan programs.

One week ago today the Wall Street Journal had an editorial that said only 300 students came to Washington to lobby against these program reductions, while 120,000 spent their vacations on beaches this spring, an obvious indication to the Journal in their editorial that the students were not in financial need.

It occurred to me that many of the students who are truly in need were neither in Washington lobbying nor in Florida vacationing. They were working part time to help pay for [applause] to help pay for the expenses of college which we continuously drive up upon them.

Our institution as a whole will not be hurt because of these cuts in Federal aid. Our admission standards are high, and many students who currently choose to go to private universities and will no longer be able to afford that option and will be forced to go to a State university will certainly choose to go to West Connecticut.

We will be educating some of these students who currently have the choice and have taken the option of going to a private university. However, many of our own current students would not receive any education at all. On balance our university may end up with more students, but society as a whole would certainly suffer and many of the private universities who are running their institutions with fewer tax dollars would also suffer and some of them in the Nation would probably close.

It is incredible to me that any one above $32,500 in income would not be eligible for certain loans and grants. In today's environment in Connecticut two laborers or two clerical workers married to each other are likely to have income in excess of $32,000 a year.

To tell this couple that they can afford to send even one student to even a State-supported university is just out of touch with reality. And if this couple has two or three children in school at once, which is very likely, they would have to make some very difficult choices about which of their children cannot continue with their education.

In addition, to say to a student from a family with income of $14,000 per year who wishes to borrow money to go to college that he cannot receive loans plus grants of over $4,000 a year is effectively telling him that he cannot go to the college of his choice and that he may not be able to go to college at all. The loan program and Pell grants are truly not giveaway programs. They are investments which will yield a quite high return on investment in the way of tax dollars coming back from the higher taxes that will be paid by a higher wage earner for the next 40 years of his or her working life and through the productivity that he or she will contribute to society.

Very often the public is upset when it hears about abuses in these programs and the press usually points out the abuses, the one professional who did not pay back his loans, and this becomes the headlines that the public jumps on and feels we should cut the programs.

I also get upset when I hear about abuses in programs. And I would recommend that we vigorously attack the abuses not the

programs. Congress has the authority to pass a law that someone who participates in a Federal loan program cannot be relieved of the obligation of these loans if he or she declares bankruptcy. We can also deprive anyone who is in default of one of these loans from being a Federal employee or from benefiting from Federal Government programs such as FHA mortgages. Let us attack the abuses and make the public very comfortable that these moneys are being wisely invested. Let us not attack the programs that are desperately needed by so many of our young people in the Nation today.

Higher education, particularly in the Northeast, is going to face dramatic enrollment declines in the next decade for demographic reasons. We will be watching the number of students and high school graduates in Connecticut decline by over 30 percent in the next 10 years. This is a period of time when universities will have to struggle in order to maintain the high quality educational standards and investments in plant and equipment that will enable us to maintain world leadership in science, in technology, and business. When you ask the chief executive of a high technology firm why does he choose to move to Route 128 or to Connecticut or to the Silicon Valley he talks about the high quality educational institutions nearby.

If we lower the quality of these institutions and he quality of our students we will also be hurting very, very badly the businessmen and businesses in our State and in the Nation who pay the taxes to support the entire country.

Legislation that would drive further potential graduates out of our universities would damage the individual student, would damage our universities for decades to come and would, therefore, have a negative impact on society at large.

Every university can point to alumni who are major corporate CEO's, outstanding scientists, doctors, lawyers, and political leaders. If some of these universities are forced to close and if we drive other students away from a university education, we are hurting the nation in a way that will not easily be reversed.

Senator, it is difficult to actually stress to you in a few minutes how much damage this proposed legislation would have on the higher education community, especially in the next decade. Thank you. [Applause.]

[The prepared statement of Mr. Feldman follows:]

TESTIMONY BY STEPHEN FELDMAN
PRESIDENT OF WESTERN CONNECTICUT STATE UNIVERSITY
March 29, 1985
at a hearing conducted by Senator Lowell Weicker

President Reagan's budget for higher education is 25%, or $2.3 billion below the fiscal year 85 levels. All but $100 million of the cuts would come from student aid.

The Administration's budget document stated that only 326,000 fewer students will be served by the Guaranteed Student Loan program. However, in another section of the budget it is stated that 30% of all current GSL loans go to families with incomes above $32,500. If the 30% figure is correct, then almost one million students will be effected. In addition, 800,000 middle income students will be dropped from eligibility from Pell grants. Finally, a $4,000 annual cap would be imposed on total aid that any student could receive from all federal programs. This would reduce the awards for 430,000 students, half of whose families have incomes below $12,000 a year.

In Connecticut the situation is even more critical due to the high cost of living. The Connecticut Student Loan Foundation reports that 55% of student borrowers come from families with incomes over $30,000.

At Western Connecticut State University, which is a state-supported institution, our tuition, room, board, books and fees would still cost the student $3,928 per year, plus normal personal expenses. This is for in-state students. An out-of-state student would have to pay $5,748. Of all our full-time undergraduate students, 48% still receive various types of loans, grants, or work-study monies because of financial need. Many of these students are first generation college students who obviously will pay greatly increased taxes and make more meaningful contribution to society because of their education. Yet many of these students will be driven from college and not be able to attend if the proposed cuts are made in Pell grants and the Guaranteed Student Loan programs, and the $4,000 cap on total aid is imposed.

Our institution as a whole will not be hurt, because many students who choose to go to more expensive private universities today will no longer have that option and will be forced to go to a state university. We will be educating some students who currently go to private institutions. However, many of our current students would not receive any education at all. It is incredible to me that anyone above $32,500 in income would not be eligible for certain loans. In today's environment, a secretary married to a cab driver is likely to have joint income in excess of $32,500 per year. To tell this couple

that they can afford even the state university tuition of $3,900 per child per year, is just totally out of touch with reality. In addition, to say to a student from a family with income of $14,000 per year who wishes to borrow money to go to college, that he cannot receive loans plus grants of over $4,000 a year, is effectively telling him that he cannot go to college - period.

The loan programs and Pell grants are truly not give-away programs. They are investments which will yield higher tax revenue and a more productive society in the future.

Very often the public is upset when it hears about abuses in these programs. I also get upset when I hear about the abuses and would recommend that we attack the abuses - not the programs. We can pass a law that anyone who wishes to participate in a federal loan program cannot be relieved of the obligaions of these loans if he or she declares bankruptcy. We can also deprive anyone who is in default of one of these loans from being a federal or state government employee or from benefiting from any government programs, such as FHA mortgages. Let's attack the abuses and make the public comfortable that these monies are being wisely invested.

Higher education, particularly in the northeast, is going to be facing dramatic enrollment decline in the next decade for demographic reasons. We will be watching the number of high school students in Connecticut decline by over 30% in the next decade. This is a period of time when universities

will have to struggle in order to maintain the high quality educational standards and investments in plant and equipment that will enable us to maintain world leadership in science, technology, and business.

Legislation that would drive further potential graduates out of universities would damage the individual student, would damage our universities for decades to come, and would therefore have a negative impact on society at large. Every university can point to alumni who are major corporate CEOs, outstanding scientists, doctors, lawyers, and even political leaders. If some of these universities are forced to close and if we drive other students away from a university education, we are damaging the nation in a way that will not be easily reversed. It is difficult to stress to you how much damage this proposed legislation would do to the higher education community.

Senator WEICKER. Thank you very much. I have a few questions to address to this panel.

Before addressing those questions I'd like to repeat words that were stated by Steve Trachtenberg and Bart Giamatti. At the end of, I believe, Steve's statement he indicated "I would like to conclude my remarks by strongly urging our lawmakers in Washington to thwart the ill advised and pernicious attempts by the Reagan administration to turn back the clock to some dark age where only the sons and daughters of the rich would be allowed to reap the benefits of an American higher education."

And then also the specific remarks—this thought, I might add, was threaded through all the testimony given here today by these distinguished gentlemen. And again as in Bart's statement where be said, "Thus, the effects of these proposals would be seen and felt in the lost aspirations of the students whose choices and options will be limited once again by the accident of family wealth."

And in his testimony Bart alluded to the fact that we were very close in terms of our undergraduate years at Yale University and that the percentages at Yale today as compared to when we went there relative to low-income students from low income families, relative to those who come from public education as compared to private, those percentages have shifted drastically.

I have been greatly blessed in being a Senator from this State now for 15 years. And I wish you could share with me the personal experiences relative to higher education in the sense of the parents that I talk to. And they are not the parents that I knew whose children went to Yale with me. I would meet those parents at country

clubs and board rooms and the doctors' offices and in the high income levels of American society, and there is certainly nothing wrong with that.

But the parents I meet today as a Senator from this State, they are repairing a road; they are in a supermarket or a barber shop, in the drugstore, driving equipment, teaching school. That is the change that has occurred in our lifetime.

I do not know how you condemn a system that has created that. And that in effect is what is happening here today. We can talk all the rhetoric we want to, but the condemnation is in those figures presented to the Congress of the United States by the administration.

So I realize there are deficiencies in education as there are deficiencies in government. But I think it is a record to be proud of, and the record really comes through in both the pride of those parents as they speak to me about their sons and daughters in college; and then the other duty that every politician has of addressing graduations, the pride that shows in their faces at the graduation of their children. That is a pride I think we can all share as a nation. [Applause.]

Mr. Bennett has suggested that many colleges are diluting their admissions standards by accepting unqualified students because they want the government money those students will bring. Could I have a comment on that from any or all?

Mr. GIAMATTI. Excuse me, sir. I restrained from talking about Mr. Bennett particularly, but you offered me this opportunity, so I think I will. Thank you very much.

Mr. Bennett had a whole set of comments and President Trachtenberg is right. There was an antieducational, antiacademic, and anti-intellectual strain in what he said. Those three strains are not necessarily synonomous, but they came together.

He also alleged that a report proved that undergraduate curricula are dissheveled in this country. I think all of that is out of date. I think that the fundamental perception that he has of college as being a place where people go to escape the real world is absolutely wrong. I think he profoundly misunderstands the extent to which the college student today—and we heard some remarkable, eloquent testimony this morning, particularly where there is a set of younger brothers and sisters—the college student today is profoundly responsible and senses the responsibility for the family.

I think the greatest wasted natural resource in this country is the idealism of the young people in colleges today, which is why I found it such a massive insult to everybody's intelligence to talk about the divestitures of stereos, vacations, and cars.

I think he profoundly misunderstands the extent to which colleges and universities, to answer your question, do not argue for this Federal assistance because it is a form of profit or surplus or revenue to the college. We are not in the business of making money. We are in the business of providing a process. It is called the process of education.

It is historically in this country the way by which one made oneself an American, whatever that is. The more people who can engage that, to the extent to which their guts and their brains and

their character and their talent and their zest and their intellectual curiosity will take them, the better the nation will be.

Universities and colleges are not asking to engage in this partnership because it is simply for them a source of revenue. It is a relationship between the institution and the individual student which is in fact where the educational process occurs.

It is on behalf of the students who are the most precious asset that a community or a country holds. Its young people are its most precious asset and that is what we are talking about. [Applause.]

We are talking about a matter of principle as well as a matter of money.

Mr. FELDMAN. Senator Weicker, if I may, I think Secretary Bennett has spent too much time in Washington. The students are not going to universities today to avoid the draft; they are going to the universities borrowing the money because they think—they desire an education and they are willing to take a loan with the hope of paying that back.

The institutions themselves, if they would lower admissions standards and lower quality, they would be offering that serious minded student a poorer quality product. There is no easier way to lose students than to lower the quality of the product that they are getting. The only way we can survive is by raising admission standards, raising the quality of our institutions; that is the way we attract more applications and attract more students. The poorer quality institutions are the ones that will struggle. The institutions doing reasonably well are raising quality at every level because the student that is borrowing thousands of dollars, as we heard in earlier testimony, to go to a university is sure as hell going to demand a high quality product for that money that he is going to have to pay back. And I do not think there is any question there has not been a dimunition of quality at the educational institutions.

Also if I could add on to what President Giamatti said, we really do not work on a percentage of profits. Whatever is there is turned back to the students in the form of either lower tuition the following year, on better equipment, on better plant, on a better educational quality. Therefore, we are not going to hurt our educational quality for the sake of increasing profit sharing. That is not the way the universities work.

He is really not in touch with reality when he makes those statements.

Mr. TRACHTENBERG. The Secretary of Education really ought to get educated about education in this country. [Applause.]

Senator WEICKER. Father Kelley.

Father KELLEY. Senator, I think the issue of quality is really critical. You must realize that putting together a university budget is always an exercise in compromise. We are never able to allocate as many resources as we would like to any segment of the university. But the more that we have to try and make up—and I stress "try" because we simply cannot do it—the more that we have to try and make up for what we are losing from Federal sources, the less we have to put into those things which are going to enhance the quality of the education that we are offering. That is extremely important. The more that we lose, the more that we have to devote to financial aid, the less we can put into acquisition for the library,

into computer equipment, and to all the other things that enhance——

Mr. GIAMATTI. And faculty salaries.

Father Kelley. Yes. Faculty salaries. All those things are absolutely essential to preserve and to encourage that quality that Mr. Bennett claims that he is concerned about while he seems to be set on a course to hurt it very, very seriously.

Mr. TRACHTENBERG. Senator, you pointed out that the United States was an increasingly aging country. In the years to come that aging population will be looking to Social Security, Social Security that will be supported by an increasingly smaller group of young people. If we have a group of young people who when they were going through college were not assisted by their Government, were not socialized into feeling some sense that society had a responsibility for them and that they subsequently have a responsibility for society, we could see a situation in which today's generation of young people repudiates the older generation and says you did not care for us when we were helpless; we are not going to care for you when you are helpless, a group that turns its back on Social Security and says what you have trained us to become is a "me generation" in a way that will make the so-called "me generation" of a decade ago seem modest by comparison. I think the value added to our society by colleges of all sorts—and we have a very wide range of institutions represented here today—is extraordinary and beyond the measurement of these Federal programs. [Applause.]

Senator WEICKER. John.

Mr. DIBIAGGIO. I suppose I did not criticize the Secretary because I do not think that is what we are all about. I do not think his comments were significant enough to even be paid any attention to. I think that that is perhaps the way we should view them.

I think he has a real misunderstanding of what has happened to the educational process both in terms of opportunity and in terms of what we are trying to achieve in our institutions today which we did not achieve a few generations ago when he was a student.

I think to suggest that the students are not qualified is inappropriate. The qualifications may be somewhat different. We may have uplifted expectations of our Nation to a degree through a number of actions starting with the GI bill where many, many young men and women went to school who would not have attended colleges prior to that time and I think have contributed enormously to the progress of our society through a series of acts supporting student aid which have been supported by every President, Republican or Democrat, since Truman except for this President of the United States.

Now, I think that that is important, that indeed we do measure qualification in a different way and we do upgrade expectation. We have all seen cases, many, many cases of students who come to us who on the basis of standardized measurements, be those examinations like SAT's or grade point averages in high school, would not at one time have had an opportunity to go on to higher education, but have turned out to be remarkable performers. And most of those students are from financially disadvantaged backgrounds because, Senator, as you well know, the sons and daughters of the affluent were able to attend colleges, rather expensive colleges in the

past even though they did not necessarily, despite what Mr. Bennett says, have the qualifications, as he defines them, that were required.

I think that that is an important consideration. Second, to assume that because an earlier generation was able, if you will, to work its way through college—and indeed I fall into that category myself—and to assume that students can do that today as well is specious.

When I attended a public university it cost roughly—and it was a fine public university—$800 a year, $800 for room and board and tuition. Now, by working through the summer I could save upwards to $500, and by having a job during the academic year I could earn the remainder.

A student cannot earn the $5,000 over a summer necessary to attend the University of Connecticut much less the $13,000 or $14,000 necessary to attend Yale University. It is an impossibility and the Secretary should come to appreciate that.

Now, you eloquently stated it. If indeed that is the case, if indeed the expectation is that the students will have to pay their own way or a greater portion of that, exactly what you described earlier is going to occur, and that is that students will not be going on to fine institutions. I thought that Steve Feldman made a point that I want to build upon. You would think that all of us in the public sector would now be crowing because indeed students will be driven, if this were to pass, from the private sector to the public sector. And those will be superior students because they will in many cases be students who have had the advantage of attending fine high schools and have performed very well on standardized examinations.

What will that mean to the public institutions? It means that we will indeed be compelled to admit those students on a competitive basis driving students out at the margin who now are the students I spoke of earlier, students who perhaps did not appear to have the potential because of circumstances beyond their control, having attended schools that were not as competitive as those that some of their contemporaries had attended, and in doing so we will deny not only access, but I think we will damage the future of our Nation.

Senator WEICKER. Thank you very much. [Applause.]

One last question for the group as a whole; one question that staff has in my book here I am not going to ask, but I will read it. It explains itself, it seems to me. The question devised by staff is: During Reagan's first term Michael Deaver was one of his key advisers. One of the reasons Mr. Deaver reportedly gave for leaving the White House was that he could not afford to educate his children on $72,000 a year.

Question: Do you not find it ironic that an administration official who cannot afford to educate his children on $72,000 per year would propose that student aid should not be made available for anybody making more than $32,500 a year? [Applause.]

Every now and then staff does something right. [Laughter.]

Mr. GIAMATTI. Senator, I once had the privilege of having dinner with the Deavers about 3 years ago. Mrs. Deaver told me that she had living in her house a college student who had had to drop out

because she could not afford to pay her tuition because of cuts in Federal loans.

So the Deavers had a great deal of experience, and one hopes that the Reagans and the Deavers will get together again.

Senator WEICKER. The last question that I do have is one that was touched upon in John's last remarks. But I would like to ask it of the panel as a whole. A number of people have suggested that if the President's proposals are enacted that there will be a major shift in enrollment from private schools to public schools. Such a shift would require the appropriation of substantial additional funds from the State legislature.

No. 1, do you agree. And, two, in your opinion, would the Connecticut State Legislature be likely to make such appropriations.

Mr. DIBIAGGIO. I am leaving the State; I can say anything I want. It is like all the other suggestions that have been made by this administration, that the States assume more responsibility for many, many programs. This State certainly could not do that very quickly. I do not think that is even reasonable. I do not think it is very likely; I do not think it is even healthy.

But putting that aside, we could not increase our enrollments rapidly enough to incorporate all those students, and that would mean there would be a number of students that would not attend college at all. In fact, there might be a number of students who would not anyhow because they were frightened of costs. And so they might choose not to attend any institution, which would be the greatest tragedy.

You know this, Lowell; the State is not in a position, this State—and this State is a State that is in reasonably good economic order—but even this State could not assume that kind of responsibility. And it certainly could not do it rapidly enough to in any way accommodate all the students that it would be required to accommodate.

Mr. TRACHTENBERG. The impact, I think, on minority and particularly black and Hispanic students would be extraordinary. And I think that there is a whole group of young people at the margin of society that have only recently begun to see the plausibility of their attending colleges and universities. They would be discouraged from that and would conclude that the curtain had come down on the opportunity for them to participate in the American dream.

We are very lucky in this country that groups that have been at the margin, when they have talked about revolution, when they have talked about radical ideas, they have not talked about bringing our society down, but rather have talked about breaking down the door and getting in.

They have not wanted to burn the banks; they wanted to get into tbat board room. They have not talked about burning the country clubs; they have talked about becoming members of those country clubs.

And it has been the colleges and the universities of this country, both the public and the private institutions that have provided access to those board rooms and those country clubs and to full participation in the American fabric. I think that is really what we are talking about here today, Senator.

Mr. DiBiaggio. Senator, one last comment if I might, and it is a technical one, but I think it is a very important one that perhaps the students are not too much aware of, but those of us who deal with these issues on a day-to-day basis of course are.

And that is that if the Pell grant supplemental is not funded, the cutbacks could be immediate in Pell grant support. And there are students now planning for attendance this fall who would be impacted upon. What we are talking about here is fiscal year 1986 in our testimony, which is a year off, and that is important. But without the Pell grant supplemental our students will suffer this very fall. And I would urge you to continue your support of assuring that that supplemental is passed.

Senator Weicker. John Doyle informs me that we are about $800 million behind on the Pell grant and that should be included in the first supplemental, which I would suspect would come to the Senate right after Easter.

I would like to thank all of you for your testimony. I would really again like to reemphasize the point that was also made about these moneys that we are talking about being an investment. I understand full well that there is money that the Federal Government spends that is nonproductive. Once spent it is gone. What we are talking about here is entirely different. This money comes back, not just the money that was put out, but comes back many fold. I started off my remarks by asking you to judge these things not just as a matter of your heart, but judge them as a fiscal matter.

And you can do this with education. You really have to ask yourself if the money is not spent, what are you going to be spending it on and how much are you going to be spending. You will not be spending it on hope, as Bart indicated. You will be spending it on welfare. You will be spending it, in other words, on support not in the sense of creating self-sufficiency. The great tragedy is that we did not spend this money earlier. And we have to pay for that now.

You know, I also like, not as a matter of drawing any sympathy because there is nothing to be sympathetic about; it is really the great joy of my life but only in its simplicity it delivers the message.

As most of you know, I have a 6-year-old Downs child. Sonny, thanks to the state of the art of education, Sunny started going to school when he was about 3 or 4 months old thanks to the early intervention programs that came by way of the Federal Government getting in there an allotting a few funds to do what the States and the local communities could not do vis-a-vis the retarded, just a few million dollars nationwide of Federal funds for early intervention.

And so Sonny started his schooling at 3 months of age. Now, aside from the fact he is full of beans and cute and all the rest of that stuff, which is nice, it is also true you are not going to have to take care of Sonny. You are not going to take care of him. He is going to be an adult and he is going to be out on those streets and he is going to be doing his thing just like all the rest of you because of the few dollars that you spend now.

Now, that is the example in its very simplest terms. But I think maybe it might have all of us starting to feel good about what it is

that we have invested in each other rather than telling the story of how we have thrown our money away, what we have invested. And the Nation today is what it is not as a reflection of things but of the flesh and blood that represents that investment.

Thank you very much. [Applause.]

We have one more panel and anybody desiring to make their own comments will certainly have time to do so. For the next panel I would just like to introduce those who are doing the signing, Mary Hoffmeister and Valeda Samuelson. I thank them for being with us this morning. [Applause.]

Our final panel of scheduled witnesses again are students attending public and private colleges and universities in Connecticut. We have with us Kurt Stiles of Mitchell College; Natalie Smith of Southern Connecticut; Andrea, good to have you with us; Andrea Chesky of Northwestern Connecticut Community College; and, Brian Grzelkowski of Wesleyan University. It is a pleasure to have all of you. Mr. Stiles, why do you not lead off.

STATEMENTS OF KURT E. STILES, MITCHELL COLLEGE; NATALIE SMITH, SOUTHERN CONNECTICUT STATE UNIVERSITY; ANDREA CHESKY, NORTHWESTERN CONNECTICUT COMMUNITY COLLEGE; AND BRIAN GRZELKOWKSI, WESLEYAN UNIVERSITY

Mr. STILES. Thank you, Senator Weicker and ladies and gentlemen. I hope I do not repeat too much; there has already been a lot said, but we are going to give it our best shot here.

I am pleased to have the opportunity to speak here today about the proposed cuts in student financial aid. My name is Kurt Stiles. I am a second year student in the business administration program at Mitchell College in New London.

Three years ago it was beyond my expectations to have a college degree. The period in my late teens was not an easy time. I finished high school at night and worked as a cook in the day. This was necessitated by the fact that my parents were disabled and later passed away.

At the conclusion of the alternate education program I was honored to receive the most likely to succeed award. I began to believe in myself. At work I was promoted into a management position, but before long I found work very boring, stale, and the future was looking quite bleak. A counselor then hinted to me about bettering myself and encouraged me to look into the possibility of how I might go to college with the help of student financial aid.

I enrolled in Mitchell in the fall of 1983. A whole new world has opened up to me. This year I am President of the student government and a resident dorm assistant. College has put meaning and adventure into my life that was otherwise bleak.

Mitchell College is a 2 year, private institution with a full time enrollment of about 500 people. Approximately 70 percent of these students receive financial aid. The annual cost of this school is $9,500. The proposed cutbacks would have a devastating effect on this school. I believe that the Reagan proposals would ignite a chain reaction in the field of higher education.

Many students would be forced to foresake education in the private sector and seek out-of-State schools. This would create shut-

downs and unemployment in one area and an overflow in the other. Then, of course, there would be a large segment of students that would not be able to go to school at all.

In my own case I depend on the Federal Government for 80 percent of the funding that I receive. I have acquired a guaranteed student loan, a national direct student loan, a Pell grant, and am extensively involved in the College Work-Study Program. The other type of aid from which I benefit is the State grant for independent colleges.

Under the proposed cutbacks, for example, I would be eligible for only $4,000 in Federal aid if my adjusted gross income was under $8,000. I believe that is hovering around poverty level, if I may say so. This translates into the fact that I would probably be unable to pursue my education in the private sector, which is my preference. As it now stands, the Federal Government expects the independent student to contribute a major portion of his income to his college tuition. The independent student has been unfairly discriminated against by these proposed Federal cuts.

The new budget proposal has provisions for families with adjusted gross incomes of $25,000; it has provisions for families with adjusted gross incomes of $32,500. But there are no provisions or brackets for myself, the independent student or many other independent students that are with me.

There is no motivating factor for the independent student to earn money toward his college expenses because he will be severely penalized for doing so. He might earn up to $8,000 on his own, but, for example, like myself, would be eligible for less and less if I earn more.

A cutback in Federal student aid programs as extensive as that proposed is ludicrous and curbs an investment, an investment in the American people. The economy is focused toward highly technical and advanced society with a great need for the educated people.

Who is going to perpetuate our society into an era of even greater technology and advancement? Certainly not those with a 12th grade education. President Reagan and Secretary of Education Mr. Bennett both reaped the benefits of higher education. Members of Congress and the Senate, I believe, also had an opportunity to go to college. Education, in my eyes, is one of the cornerstones of this democracy which was founded on the premise that all men were created equal, if you will.

These proposed cutbacks will severely restrict the chance for children of families of the middle and lower income brackets as well as independent students like myself, which are not part of any families. To educate only the upper class would sacrifice over 200 years of progress in this country.

Finally, if it were not for higher education I would not have developed into a leader and moved the mountains that have challenged me. All in all, I would like to say that if the Government continues to invest in me and other independent students, then I can continue my education as well as them and become a major attribute in today's society. Thank you very much.

Senator WEICKER. Thank you very much.

[Applause.]

Senator WEICKER. Natalie Smith of Southern Connecticut. Natalie.

Ms. SMITH. Thank you, Senator Weicker. My name is Natalie Lynn Smith. In 1984 I graduated from Southern Connecticut State University in New Haven with a bachelor's degree in special education. I am now back at Southern as a graduate student working on my master's degree in special education.

Although I am honored to be talking to you today, I wish the reason for my being here were less frightening to the thousands of Southern students I represent. During my years at Southern I received various forms of Federal financial aid, including Pell grants, guaranteed student loans and work-study.

Because I received absolutely no assistance from my family I am completely and totally dependent on financial aid and whatever employment I can find. As an undergraduate I held as many as three jobs at one time to help make ends meet. Without financial aid I would not have been able to attend school, I would never have earned my degree, and I would not be working today toward my goal of teaching emotionally disturbed adolescents.

I know from personal experience that the Reagan administration's proposed financial aid cutbacks will have a devastating effect on students at Southern. Right now there are approximately 3,000 students receiving financial aid at Southern. If the financial aid cutbacks go through 45 percent of these students or 1,400 people will stand to lose their financial aid, 1,000 will lose their guaranteed student loans and the other 400 their grants and work-study positions.

Many of them will be forced to drop out of school completely or at best to severely curtail their educations. And I am talking about thousands of students from all over the State, people who would have no choice but to enter the job market and end up raising the unskilled unemployment rate dramatically.

Yet compared with many private schools Southern is considered a low cost institution. Connecticut residents pay a total of approximately $4,700 for tuition, room and board, and fees. Educated people are this country's greatest resource. They should not be sacrificed for the sake of a balanced budget.

Once again the Reagan administration is aiming its cutbacks at the middle class. Under this plan families with incomes above $25,000 will be ineligible for either grants or work-study funding. Families with incomes above $32,500 will be ineligible for guaranteed student loans. And despite what William J. Bennett, the newly appointed Secretary of Education, said in his first press conference, the Reagan administration's cutbacks will not mean, "a stereo divestiture, an automobile divestiture, or a 3 weeks at the beach divestiture."

Instead, those cutbacks will mean that hundreds of thousands of students across the country will lose access to the education that they deserve. The fact is America's middle class is being forced to offer up its children's futures to reduce the Federal deficit.

We all realize that the deficit is dangerously large and must be reduced, but as President Michael Adante of Southern said in the recent letter to President Reagan, to reduce the deficit at the ex-

pense of education would "turn the Nation's priorities upside down."

And, finally, it is interesting and ironic to note that in April 1983 President Reagan's National Commission on Excellence in Education published a report called A Nation at Risk: The Imperative for Educational Reform. According to the authors of that report America's educational foundations are "being eroded by a rising tide of mediocrity that threatens our very future as a nation and as a people."

Now, just 2 years later, the Reagan administration is proposing cutbacks in student financial aid that will further erode our educational system by prohibiting many people from continuing their educations and becoming the kind of quality educators that the commission called for.

History shows that the best investment this country can make is in its youth who will one day be our leaders. If we abandon them we are in effect abandoning the foundations upon which this country was built. Thank you.

Senator WEICKER. Thank you, Natalie. That was a very eloquent statement. [Applause.]

Andrea Chesky of Northwestern Connecticut Community College.

Ms. CHESKY. Thank you for inviting me, Mr. Weicker. As I sit and listen I realize that I am not young and I am not elderly. I am not disabled and I am not rich or poor. But in 1959 when I graduated from high school they did not have the aid that they do today to help me continue my education. And so I am a freshman and part time student at Northwestern Connecticut Community College in Winsted, CT. I hope to graduate in 2 years with an associate degree in human services. I am on the dean's list and able to attend college because of the Pell grant and student loan programs.

We are a middle-income family. I also have two daughters attending Northwestern because of the Pell grant and student loan. My oldest daugbter will graduate in May with an associate's degree in human services. My youngest daughter is a freshman in the fine arts program. I would like to stay in school.

I presently work 40 hours a week. I am able to take two evening courses a semester. If the funding for the Pell grants and student loans is cut according to the proposals I will not be able to do so. If I continue to take courses at my present rate I should be able to receive my associate's in 2 years. Without the Pell grants and student loans I will be unable to continue. I am 43 years old; time is very important to me.

Compared to other colleges, the direct cost of attending a community college is minimal. The $655 I have received over the past 2 years has enabled me to work toward my goal of becoming a special education teacher. As I have stated before, both my daughters have attended Northwestern with money from the Pell grants, college work-study, guaranteed student loans.

With the new proposals no one in my family will be eligible for any of these, and education for me, my children, and thousands of other students will be denied. Thank you very much for listening to me. [Applause.]

Senator WEICKER. Andrea, thank you very much, and let me say I got caught in the generalization business in the sense of attributing the educational process mainly to the young. Nobody appreciates more than I do—and I might add more so than any of the other educational institutions of the State, the community college where so many people finally have the opportunity to get the education, just as you have indicated, that they could not get by virtue of the lack of programs to assist them. And if you ever want to have an inspiration, I think at least once or twice a year I do attend the graduations of some community colleges in Connecticut.

And when those men and women mount the platform, even to 85 years of age and down, it is inspiring because indeed they have come there to gain their heart's desire and something that they sacrificed many years earlier and many of them for their children so that their children could have the opportunity.

So please excuse my generalization, and I think it is great that you are here to go ahead and testify before us.

Our last witness will be Brian Grzelkowski of Wesleyan University.

Mr. GRZELKOWSKI. Thank you, Senator Weicker. My name is Brian Grzelkowski, and as a student at Wesleyan, I too would like to express my concern over what I consider the Reagan administration's misguided and ill conceived proposals for cutting the Federal financial aid program. From a personal standpoint, because I am a junior, these proposed cuts will not directly affect my undergraduate education.

However, they could prove disastrous for my future plans to attend graduate school. At any rate, my personal circumstances do provide an excellent representative case of the potentially destructive nature of these cuts. Wesleyan is a private, liberal arts college whose expenses will total well over $15,500 next year.

I currently receive every form of Federal financial aid available to out of State undergraduate students; that is the Pell grant, SEOG, college work-study, and GSL as well as NDSL loans, in all totaling $7,250. Wesleyan provides an additional $3,515 to meet my total established financial need of $10,615. Obviously, I have extensive financial need.

In fact, my Federal student aid index is the lowest possible or zero. Thus I qualify for the maximum grant in both the Pell and SEOG programs.

The significance of the administration's proposed qualificational cap of $32,500 for all of the above aid programs becomes readily apparent when one considers the fact that my parents' combined family income is about $45,000. However, my parents are divorced. My father has remarried and thus has an additional two dependents, and I am the legal dependent of a mother who, although she is making roughly $20,000 now, incurred tremendous debts the previous 3 years during which she was unemployed.

I also have a sister currently attending Cornell University, another $15,000-plus institution. Yet if these proposals were to pass none of these extraneous factors would be considered and I would cease to qualify for any of the Federal financial aid funds that I am currently receiving.

To look at this from a different perspective, my sister's and my combined educational expenses of over $30,000 nearly equal the proposed income cap and represent a full three-fourths of my family's gross income. Fortunately for me, Wesleyan currently maintains a policy of guaranteeing student financial need.

Yet under the current budgetary proposals 702 of Wesleyan's 1,329 financial aid students, or 54.9 percent, would cease to qualify for Federal financial aid. These figures represent a revenue loss of $615,000 in grant money alone which must be made up through university resources.

Quite clearly, even highly endowed institutions like Wesleyan cannot indefinitely bear the financial burdens that filling the vacuum left by lost Federal funds will entail. The most immediate result of such pressures would be that qualified students would not be admitted simply because of financial need.

Since Wesleyan is one of the most highly endowed institutions in the country these cuts will have both far reaching and drastic effects throughout the entire educational system. However, there are broader consequences I see arising from such a budgetary policy that I fear most.

Quite simply, I foresee an increase in socioeconomic inequality throughout not only the country's educational institutions but also the society as a whole. Educational experiences and opportunities satisfying a wide range of personal abilities and needs will become the luxury of only those who can afford them.

Educational programs were cut by 20 percent during President Reagan's first term and now an additional 15-percent cut is being proposed. Yet this country can have no greater resource than an educated citizenry. Therefore, I find it incomprehensible that it is these already depleted programs which are to again suffer under the pale of the budgetary axe.

What does seem clear to me is that what has been abandoned is the principle on which Federal financial aid programs were established, that each individual should be able to pursue an education to a level commensurate with their abilities regardless of their financial need or status.

Is this country willing to withdraw this commitment? It is always a danger to take financial aid for granted, yet there is certainly no such thing as a free lunch in higher education today. I will graduate from Wesleyan with over $10,000 debt. Others will have more. It is important to realize that financial aid students do suffer hardships. They must work untold hours both during school and the summer to help pay for their education and thus must also forego further educational experiences such as summer school and internships during breaks, all because of the dominant necessity to earn money. These pressures cannot be ignored.

Senator Weicker, I face you today from the perspective that I, like so many other students, would not be in school if it were not for the Federal financial aid that I receive. Patriotic appeals for communal sacrifices do provide a powerful stimulus for disregarding how imperiled this system has already become. However, the future of our democratic society is dependent upon an educated, participating adult population. I do hope you and your fellow Members in Congress will do their utmost to prevent the further dese-

cration of our educational system, one of our most important national resources. Obtaining higher education must not become the privilege of only the rich. [Applause.]

Senator WEICKER. I want to thank all of you for your testimony. I am not going to ask questions, because I have other students that are here that were not scheduled to testify, and I want to give each one just a few minutes to express themselves.

But I just want to say to you that from a legislator's point of view you have made some of the tough moments in the past, and from those of us that take my point of view you make it worthwhile to listen to your testimony. And I want to tell you how appreciative I am for the quality of your words and your thoughts. Thank you very much.

Is Bob Egan of the Connecticut Education Association here?

John Osterowski of the Central Connecticut State University, the student senate president. Is John here? John, why don't you come up. I am going to call five of you up here at the same time, and if we could have a few minutes from each of you. David Fontaine of Trinity College. Is David here? Carol Conerly of North Central Community College. Alicia Czajka. And I believe those are all the students aside from the high school students.

OK. If you would be good enough just so that we can accommodate everybody to keep your comments to 2 or 3 minutes. Why do we not start right down the line. Alicia, why do you not start.

STATEMENT OF ALICIA CZAJKA, EASTERN CONNECTICUT UNIVERSITY

Ms. CZAJKA. My name is Alicia Czajka. I am a freshman at Eastern Connecticut University, and I only want to address an issue that no one seemed to have mentioned, the changing of the independent status to the age of 22. I am 21 years old and I have been supporting myself since I was 18 years old. I wanted to know why, if that proposal were not there, that means that I would be more independent when I was 22 than I am right now. I will still be paying the same bills next year, and I really do not understand that part of the proposal.

But if the age changes to 22, then people would have to wait to go to college until they are 22. I did wait until I was 21 because when I got out of high school I worked for 2 years and raised substantial money in order to put myself through. With financial aid I can make it just barely.

If I had to have waited until I was 22 in order to have gone to school that would have been 4 years I would have wasted of potential. I would have to wait 4 more years to get out of college. I have a cum of 3.9, and it is just because I work really hard, and it means more to me.

But if I had to wait another year I do not think I would have gone back. It just would have been too long. Four years out of school is too long to wait. That is all I have to say.

Senator WEICKER. Thank you very, very much. Thank you for bringing that to our attention.

Carol Conerly.

STATEMENT OF CAROL CONERLY, NORTHWESTERN CONNECTICUT COMMUNITY COLLEGE

Ms. CONERLY. First, I would like to invite you to commencement ceremonies at Northwestern Connecticut Community College May 25, 1985. I am going to be graduating there.

Senator WEICKER. Have I been there before?

Ms. CONERLY. I do not know. I have only been there 3 years and I have not seen you.

Senator WEICKER. You and I will talk about that. [Laughter.]

Go right ahead.

Ms. CONERLY. First let me tell you that I am a mother of five, all adults, one learning disabled child 28 years old, who went to fight the Texas Legislature for educational processes for that young lady because in 1963 there were no provisions for the learning disabled. I have four sons who graduated from college and now it is my turn. And I am totally independent and I do not have anything to fall back on, no home, nothing.

I intend to be a practicing attorney in administrative and constitutional law for the deaf in the State of Connecticut by the time I am 59 years old, and I am going to do it. And I am here to talk to you today to ask you to please inform the President that he became President at 69. I should have the right to become a judge at that same age. [Applause.]

There is one other aspect of this financial aid package thing that I would like to discuss with you, and that involves financial aid that does go to the handicapped in the postsecondary institutions. And, Senator Weicker, is this going to be affected? We have deaf students who need financial aid in order to have an education.

And if this is going to affect them, then we are affecting a part of our population that deserve and can be functioning, first-class citizens in our country. And so my concern is not only for myself because if I lose aid I will not get to go back to school. That is it. My dream is going to be gone.

But I am a plucky lady; I am going to fight for what I believe in. But handicapped people need to be considered in this whole situation also because they will not be able to fight back, Senator Weicker. Thank you very much.

Senator WEICKER. Thank you, Carol. [Applause.]

David Fontaine.

STATEMENT OF DAVID FONTAINE, TRINITY COLLEGE

Mr. FONTAINE. My name is David Fontaine. I am a resident of Bristol, CT, and I am currently in my junior year at Trinity College where I am a double major in economics and American studies. I had a prepared statement, but seeing that we have some time constraints I will try and edit through some of these things.

My basic argument with the proposed Federal cutbacks is that they are too arbitrary in nature in that gross income statistics are a poor indication and a poor measure of a family's total financial circumstances. As many others have eloquently stated earlier today, such things as debt and multiple-children families also must enter into the evaluation process.

My other basic argument is very similar to that which was used for the maintenance of the Social Security system, and that is that the very existence of Federal student aid programs has led many individuals to make long-term decisions which they would not have made in the absence of these very same programs.

The expectation that student loans would be available has entered into the long-term planning of many families and students. To change the rules in the middle of the game seems to be quite unethical as well as unjust. Therefore, if changes in student aid are to be considered at any time they should be structured in such a way as to allow families enough time to prepare alternative financing arrangements.

Perhaps those already receiving aid and those who are close to college age at the time that changes are implemented should be grandfathered in under the old existing system. It would be exceedingly naive to believe that all those who are receiving aid now and who would be adversely affected by the proposed changes could immediately come up with the funds that would be necessary to compensate for the losses in aid.

Savings and consumption behavior are not readily amenable to immediate changes in circumstances. This is due to the fact both are very often contingent upon past decisions and carry over for a long period of time. Therefore, an adjustment period must be structured into any program that would bring about changes in student aid.

Education, in my opinion, is a resource which America cannot afford to waste. Cuts in student aid are a Band-Aid approach to solving the deficit problem. In the short run, Government may save money, but the probability of efficiency problems surfacing in the long run is extremely high.

In order to remain competitive in the international marketplace, America must maintain the highest educational standards. The education which I am receiving at Trinity College and the aid which I have received have combined to provide me with the prospect of a bright future. My earning power has been significantly increased, and over time I will more than repay the investment which the Government has made in me.

The future of America, in my opinion, lies in education and to place limits on the availability of education is to place limits on the future of America. [Applause.]

Senator WEICKER. Thank you, David. John Osterowski of Central Connecticut, student senate president.

STATEMENT OF JOHN OSTEROWSKI, CENTRAL CONNECTICUT STATE UNIVERSITY

Mr. OSTEROWSKI. Senator Weicker, members of the Senate Subcommittee on Education, my name is John Osterowski and I am president of the student government association at Central Connecticut State University. I am a senior and I am majoring in industrial marketing.

Speaking on behalf of 15,000 undergraduate students attending Central Connecticut State, I would like to concentrate my thoughts on three specific areas of concern: one, the $32,500 income cap; two,

the declaration of students as independents; and, three, the student and family debt incurred because of education.

First and foremost of concern to the students is the combined family income of $32,500 as a cutoff for student loan eligibility. In my opinion, the figure of $32,500 is unrealistic because it does not take into consideration more than one child in school or any other extenuating circumstances that may arise in the family.

Therefore, this area of the proposal is in great need of review. My peers and I would support a full needs test for any student applying for financial aid or student loans instead of the income cap. This would subject all students who apply for these loans to a determination of eligibility to receive them.

In my opinion, this would help eliminate some of the immediate concerns and abuses associated with this program.

As students, we are fully aware that there should and must be changes in this unrealistic loan program proposal. The setting of the $32,500 cap is a demonstration of Government taking the easy way out. This is an area that must be studied a great deal more.

The second area which I would like to discuss is the issue of the independent or self-supporting student. There is a serious concern about abuses in this area by students claiming to be independent, but who are not. I support the administration's proposal that deals with the independent student's status and which aims to correct come of the existing fraud.

Abuses could be more effectively controlled and true independence verified if students under the age of 22 were classified as dependent.

The third topic I would like to cover this morning is the concern of the student debt. Although the area is not addressed in any proposals, because of its importance I would like to take a moment to address it right now. At present students are leaving college with a very heavy debt burden. I have a friend who will be graduating in May and he will owe $10,000. His girlfriend will owe approximately $10,000 as well. If they marry, they will be paying $242.66 per month for the next 10 years. This is a heavy burden for young people to be starting off their lives with and a tremendous concern for society in the years ahead.

Students in debt will be unable to buy cars, homes, or other commodities that will support the economy. Heavy debt may prohibit them from saving for their own children's education. I hope that the Government and the financial aid and student loan associations will develop programs to help educate students in this area.

In conclusion, Senator, I would like to just ask that you take some of my comments back to Washington to your colleagues and hopefully support some of the things I have just mentioned.

Thank you for the opportunity to present my testimony.

Senator WEICKER. Thank you very much, John. [Applause.]

STATEMENT OF JENNIFER RIENKS, UNIVERSITY OF CONNECTICUT

Ms. RIENKS. Good morning, Senator. My name is Jennifer Rienks and I am a representative of the undergraduate student government at the University of Connecticut. Since Reagan's proposed

budget cuts in higher education were announced, we have been working with student leaders throughout the State organizing opposition to these cuts. Some of our academic workloads have to compete with our desire to voice our opposition against these cuts. This is the most important issue facing students since the Vietnam war, and it is an issue that demands our response. As you can see by the students here today we are not going to take this lying down. [Applause.]

We encourage you and our other representatives in Washington to take this threat to our future away from us and vote down these unjust budget cuts. President Reagan is continually citing the abuses in the loan program and I put forth that as we have seen General Dynamics has abused its defense contracts. Perhaps we should cut back on the defense budget as well. [Applause.]

Thank you.

Senator WEICKER. Thank you very much. Thank all of you for your testimony.

The next panel will consist of Dr. Ryan, the president of St. Joseph College. Dr. Ryan, nice to have you here. Louise Simmons, UCONN Urban Semester Program. George Lang the president of the Connecticut Conference of the American Association of University Professors. And then lastly we have two students from Canton High School, Vincent Thomas and Randy Feigert. Is that correct? Are they here? Not here.

All right. We have before us three panelists. Dr. Ryan, why don't you lead off.

STATEMENT OF DR. RYAN, PRESIDENT, ST. JOSEPH COLLEGE

Dr. RYAN. I speak as the newest member of the family of Connecticut college and university presidents, as president of the only 4-year women's college in Connecticut and of the institution with the lowest loan default rate in the Northeast. My testimony will be brief and designed to do four things: First, to support the testimony you have already heard so splendidly today; second, to relieve your staff of whatever embarrassment it may have for fielding an all male panel of presidents; third, to assure you that colleges and universities are excellent examples of cost control. My own institution has instituted fixed rate tuition guaranteeing incoming freshmen the same tuition rate for 4 years. And, fourth, to extend the remarks of Presidents DiBiaggio and Feldman.

We should not be here testifying about cuts in Federal aid, but in support of increases. And why? Because the demographic losses in the Northeast indicate that within 10 years we will have approximately one-half of the current talent pool from which to draw aggressive middle managers for business and industry, education, and health care delivery and public service.

We simply must maximize the potential, whatever that may be, of every citizen.

Senator, I really cannot accept the necessity for the justifications we have heard and are continuing to hear today. If I spent $1 million per day from the birth of Christ to the present I would not have spent what we are being asked to believe the Pentagon can efficiently spend during the next 10 years.

In this context, I cannot accept that the Congress will allow the Republic to diminish the quality of its future by diminishing any investment in education. Thank you so much, Senator, for hearing us. [Applause.]

Senator WEICKER. Let me, first of all, address the matter of the chauvinism on the panel. If a mistake was made, I want you to talk to the staff director. That is the person in charge of my subcommittee. The staff director is Jane West right back here.

But I do apologize and I am glad that you did testify. Let me comment, again reemphasizing what I alluded to before and I give these facts and these statistics and they are correct. And all the testimony we have heard today is correct. I suppose what I find difficult to accept is that in light of those facts and in light of the way the American people traditionally have always felt toward their children, living for their children, making these investments. How in God's name does this Nation permit, not just on this score, but has now for the last several years one group of Americans after another, to be cut out of their share of the opportunities of this Nation? How has this Nation allowed this to happen? I repeat, it has to come home: You people are the Government. We have allowed ourselves to get in the business of those people in Washington, those people in Hartford. If you do not speak, it is going to happen.

I will put it in a light vein for you. I love addressing an audience of voters here in the State of Connecticut and I love to generalize about my profession. And they say, well, all you politicians are inept. All politicians are corrupt. All politicians are sex maniacs and right on down the list.

You know what I say? I say, well, that is interesting because this is a representative democracy, is it not? [Laughter.]

Well, you know what you are and I know what I am. And what we see happening in so far as the budget is concerned is totally contradictory to what we are. And, Dr. Ryan, I appreciate you coming up here and I just hope that you will speak up. And I am not talking about Dr. Ryan. She did; she is here; she spoke up; but that everybody will speak up. You have the facts on your side. Sometimes we speak up and we do not know what we are talking about. You have the facts on your side. You have the ideals on your side.

There is no reason why we should not prevail, but right now, as I have said in many instances, silence is the greatest ally of this inane policy that is being presented to the American people. And if you do not speak up now, I might add, it will get worse, not better.

The next witness is Louise Simmons of the University of Connecticut Urban Semester Program.

STATEMENT OF LOUISE SIMMONS, UNIVERSITY OF CONNECTICUT

Ms. SIMMONS. Thank you, Senator Weicker. I direct the University of Connecticut Urban Semester Program which is a program which brings students from Storrs into Hartford to do work internships and study on urban issues.

I am going to be very brief because I do not think anybody can say more than what has been said already by the students and the university and college presidents. But I do find it ironic that yesterday the House voted to fund the MX missile system and that today we are sitting here struggling to maintain our student loan programs. [Applause.]

That we will fund weapons systems that render destruction, that many argue are obsolete before they are produced, that represent one of the biggest wastes of money in history; we will fund the Contras in Nicaragua; we will constructively engage with the most hideous regime in South Africa. And yet we are punitive with our own students, with our own middle and lower middle income students in our own country.

And it is appalling to me that the Secretary of Education is one of the leaders of this assault. He is using the techniques that I feel have been used against welfare recipients. He is employing the same techniques against students. He is trying to conjure up distorted images of cheaters and people taking advantage of this system. Well, I think it has been stated earlier that the cost of a Sony Walkman is really trivial compared to $7,000 to $10,000 tuition bills.

Even if a student getting a student loan bought a Sony Walkman, it is a very trivial amount compared to the cost of college education today.

I just want to say that I have been doing this job for 5 years and I have watched a lot of students come from Storrs into Hartford. Many of my students have been from the Hartford area and have come back to try to provide some service to their community. And I am astounded to watch the way that they have to hustle two and three part-time jobs. Sometimes they are work-study. Sometimes they are outside of the university setting, but the amount of hustling that these students have to do to balance their own checkbooks and their own education is astounding to me and I think it is a testament to the fact that students will get an education.

So I just want to end on that note, and I think what we need to do is really reverse our priorities. Thank you very much. [Applause.]

Senator WEICKER. We thank you very much. The final witness on this panel is George Lang, the president of the Connecticut Conference of the AAUP.

STATEMENT OF GEORGE LANG, PRESIDENT, CONNECTICUT CONFERENCE, AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS

Mr. LANG. Thank you, Senator. I am the chair of the department of mathematics and computer science at Fairfield University. I am the president of the Connecticut Conference of the American Association of University Professors.

In the late sixties we talked about tripartite, administration, faculties, and students. The AAUP represents the faculty third of the university community. You have heard testimony from the presidents of our institutions about the threat to the financial stability of our colleges that the proposed reductions present. You have also

heard from students and from parents attesting to the hardship which many middle-class families will face trying to provide an education for their offspring. Although these concerns should be enough for Congress to continue or increase its support for higher education, I feel we should address the educational implications of the proposed measures.

Our country and Connecticut in particular present our young people with a variety of higher education opportunity ranging from large public institutions offering a number of majors to small liberal arts and special purpose institutions.

In recent years many of the private institutions have been able to open their doors to able students independent of those students' financial status. The selection of a school could be done on the basis of a good fit between the applicant's academic ability and the demands of the school, between the student's interests and the institution's curriculum. Students could pursue their studies with peers from a large cross section of America's social and economic groups.

This diversity provides a setting in which the broadening effects of an education can best be carried out. Without access to a reasonable financial aid package our private institutions will be populated solely by the children of the wealthy, ironically depriving them of some of the exposure they need for their own education.

As these cuts threaten the financial state of our colleges, we will lack diversity not only in our student body but also on our faculty. It is no secret that faculty salaries are a major portion of any college's budget. The minds of those men and women constitute our only production tool.

In recent years people like myself could join faculties without independent wealth and at least with a working spouse earn enough to support a family. If there is a squeeze on our institution's budget it will surely hit faculty salaries. The implications for the quality of education, especially in a State like Connecticut, which is seeking to maintain a leading position in high technology areas, will be disastrous.

I have the chore of hiring faculty to staff a program in computer science. The qualify of our technically educated graduates will depend on the quality of our technical faculty. And that in turn will depend upon our ability to attract engineers and scientists. We have already witnessed a flight from mathematics departments in many of our high schools. And declining resources will cause the same flight from our colleges at a time when we need to increase both quantity and quality in these areas.

The quality of our faculty is threatened also by the proposed cuts to graduate fellowship programs. The graduate programs in our country are providing the future faculties. I myself attended Purdue University under a National Science Foundation grant. Money went into that program in response to Sputnik. I hope we do not need another national emergency to fund higher education.

Finally, faculty members as a group are affected in yet another way. Student loans are one of the few government programs that provide aid directly to middle-class families. One of our interests in that large group of Americans is the fact that we are in it. While our professional training might make us one of the best educated

occupational groups, our income places us squarely in the middle class.

It will be some years before I know whether my own son and daughter should be seeking their education at Fairfield, a community college, or at Yale. I do know I want them to make that decision based on their academic ability and their goals, not on the state of my bank book. Without student aid and loans it seems unlikely that I could afford to give my children an open choice of colleges even though I consider their education my main financial priority beyond providing the basics of life.

We as faculty have devoted our careers to learning and teaching and now could run the risk of seeing our own children deprived of the opportunity to optimize their pursuit of learning.

The diversity of students within our institutions, the diversity of institutions available to our students, the ability of our institution to attract good faculty depends on the continued willingness of the Congress to make access to higher education available to all our young men and women.

Our continued leadership both socially and technically will depend on our investment in the education of the next generation of Americans. Thank you very much, Senator.

[Applause.]

[Additional material supplied for the record follows:]

STATEMENT OF

BETTY L. TIANTI, SECRETARY-TREASURER

CONNECTICUT AFL-CIO

AT THE HEARING HELD BY

SENATOR LOWELL P. WEICKER

MARCH 29, 1985

UNIVERSITY OF HARTFORD

HARTFORD, CONNECTICUT

THE AFL-CIO BELIEVES THAT THE BUDGET PROPOSALS OF PRESIDENT REAGAN FOR THE FISCAL YEAR 1985 WOULD INFLICT CONSIDERABLE SUFFERING AND HARDSHIP NOT ONLY ON THE POOR, BUT ON THE AVERAGE WORKING FAMILY IN CONNECTICUT.

WE URGE OUR CONGRESSIONAL REPRESENTATIVES TO OPPOSE ALL OF THE CUTS IN DOMESTIC PROGRAMS, AS WELL AS THE OUTRIGHT ELIMINATION OF SOME OF THEM.

WE ARE PARTICULARLY CONCERNED, FOR THE PURPOSE OF THIS HEARING, WITH THE PRESIDENT'S PROPOSALS TO CUT FEDERAL AID TO EDUCATION. THE AMERICAN LABOR MOVEMENT HAS, FOR OVER 150 YEARS, FOUGHT FOR A PUBLIC EDUCATION SYSTEM WHICH WOULD PERMIT SONS AND DAUGHTERS OF WORKING PEOPLE TO OBTAIN THE BENEFITS OF PUBLIC PRIMARY, SECONDARY AND POST-SECONDARY EDUCATION.

THE ENORMOUS INCREASE IN THE COST OF A COLLEGE EDUCATION, NOT ONLY IN THE PRIVATE SECTOR, BUT IN MANY OF THE PUBLIC INSTITUTIONS, LIKE THE UNIVERSITY OF CONNECTICUT AND THE STATE UNIVERSITIES, HAS PUT THESE INSTITUTIONS OUT OF REACH OF THE AVERAGE WORKING FAMILY.

WE NEED ONLY LOOK AT THE LATEST FIGURES FOR EARNINGS OF

CONNECTICUT FACTORY WORKERS AND THE COST OF THE STUDENTS ATTENDING THE UNIVERSITY OF CONNECTICUT AT STORRS TO SEE THE DIFFICULTY MOST CHILDREN OF WORKING FAMILIES FACE IN OBTAINING ACCESS TO THIS LEVEL OF HIGHER EDUCATION.

THE LATEST FIGURES FOR THE AVERAGE EARNINGS OF CONNECTICUT FACTORY WORKERS IS $20,076 PER YEAR. THE COST FOR A STUDENT LIVING ON CAMPUS AT STORRS RUNS TO $5,700 FOR THE CURRENT YEAR AND WILL BE APPROXIMATELY $6,200 FOR THE NEXT ACADEMIC YEAR.

IT IS A WELL KNOWN FACT THAT THE AVERAGE FAMILY CANNOT MAINTAIN ITSELF UNLESS BOTH SPOUSES WORK, OR, IF THERE IS ONLY ONE BREAD WINNER, HE OR SHE MUST HAVE A SECOND PART-TIME JOB TO MAKE ENDS MEET.

THE U.S. DEPARTMENT OF LABOR, UNTIL THE CURRENT ADMINISTRATION, PUBLISHED A SET OF ESTIMATES FOR THE ANNUAL INCOME NEEDED TO SUPPORT FAMILIES AT DIFFERENT LEVELS OF LIVING STANDARDS.

UNDER THE REAGAN REGIME THIS ESTIMATE WAS DISCONTINUED FOR ALLEGED REASONS OF ECONOMY. WE CAN, HOWEVER, USE THE LAST FIGURES PUBLISHED, AND BY APPLYING THE RISE IN LIVING COSTS FOR THE PERIOD IN BETWEEN, USE THOSE ESTIMATES TO GET A PRETTY GOOD IDEA OF WHAT IS CURRENTLY REQUIRED FOR A MODEST STANDARD OF LIVING. USING THIS METHOD, THE ESTIMATE FOR THE INCOME NEEDED FOR A FAMILY OF FOUR IS TODAY APPROXIMATELY $30,000. THIS MODEST BUDGET IS MORE THAN MODEST: IN REGARD TO EDUCATION, IT ALLOWS ONLY $100 A YEAR FOR THE ENTIRE FAMILY.

EVEN THAT BUDGET, HOWEVER, IS NOT OBTAINABLE BY THE AVERAGE FACTORY WORKER'S FAMILY IN CONNECTICUT UNLESS BOTH SPOUSES WORK, OR ONE OF THEM HAS A SECOND JOB.

IF YOU ASSUME THAT BOTH SPOUSES WERE WORKING IN FACTORIES AND MAKING THE AVERAGE WAGE, THE COMBINED INCOME WOULD BE $40,000.

THIS WOULD PUT THEM ABOVE THE LEVEL NOW PROPOSED BY MR. REAGAN FOR STUDENT LOANS, WHICH IS $32,500 PER YEAR.

EVEN AT THE CURRENT LEVEL OF STUDENT AID, THE POOR AND MIDDLE INCOME FAMILIES ARE BEING PRICED OUT OF U. CONN.

THE PERCENTAGE OF STUDENTS AT U. CONN FROM FAMILIES WITH INCOMES OF $15,000 A YEAR OR LESS HAS DECREASED FROM 13.5 IN 1981 TO 10.8 IN 1983. TO REDUCE STUDENT AID WHEN COSTS ARE ESCALATING WILL ONLY EXACERBATE THIS TREND.

MR. REAGAN'S PROPOSAL FOR A CEILING ON FAMILY INCOME FOR THE MANY MIDDLE INCOME FAMILIES AND HIS PROPOSED MAXIMUM OF $4,000 PER YEAR IN ALL KINDS OF FEDERAL AID IS EVEN MORE DAMAGING TO THE AVERAGE FAMILY. LIMITING WORK STUDY AND DIRECT GRANTS TO STUDENTS WITH A FAMILY INCOME OF LESS THAN $25,000 WILL EXCLUDE LOW INCOME STUDENTS EVEN FROM PUBLIC INSTITUTIONS. THESE POLICIES WILL FORECLOSE THE ABILITY OF SUCH FAMILIES TO PAY THEIR WAY THROUGH ANY PRIVATE COLLEGE OR UNIVERSITY, AND IT SERIOUSLY LIMITS THE ABILITY OF ANY FAMILY TO SUPPORT TWO STUDENTS AT THE SAME TIME ATTENDING AN INSTITUTION LIKE U. CONN.

WE IN CONNECTICUT REALIZE THAT THE STATE HAS NO NATURAL RESOURCES EXCEPT THE ABILITY OF ITS OWN PEOPLE TO ACQUIRE THE EDUCATION AND TRAINING NEEDED FOR TODAY'S WORK FORCE.

THE NUMBER OF OPENINGS FOR SKILLED FACTORY WORKERS HAS BEEN DRASTICALLY CUT AS FOREIGN IMPORTS HAVE SHARPLY REDUCED AND EVEN ELIMINATED MAJOR SECTIONS OF CONNECTICUT INDUSTRY. IF CONGRESS ENACTS ANY PROPOSALS LIKE THE REAGAN BUDGET CUTS IN AID TO EDUCATION,

SIMILAR BARRIERS WILL BE SET UP PREVENTING PEOPLE OF AVERAGE MEANS FROM OBTAINING ANY KIND OF HIGHER EDUCATION.

WE, THEREFORE, STRONGLY URGE YOU TO EXERT EVERY MEANS TO DEFEAT THIS PROPOSAL, BECAUSE OF ITS DESTRUCTIVE NATURE TO THE INTERESTS OF THE MAJORITY OF CONNECTICUT RESIDENTS AND THEIR CHILDREN.

OPEIU376AFL-CIO
3/28/85

STATEMENT BY DR. MILTON MARKOWITZ

ASSOCIATE DEAN FOR STUDENT AFFAIRS

UNIVERSITY OF CONNECTICUT SCHOOL OF MEDICINE

Senator Weicker, my name is Milton Markowitz. I am a Professor of Pediatrics and Associate Dean for Student Affairs at the University of Connecticut School of Medicine in Farmington. All matters pertaining to financial aid for our 339 students are handled through our office. We are a State-supported school, and virtually all of our students are Connecticut residents. Our current tuition and fees are $5,200 and living expenses are about $7,000. So that the cost of a medical education is approximately $50,000, plus interest on loans.

I can best show you how President Reagan's projected cutbacks in financial assistance programs will affect our students, by comparing the indebtedness of our current senior class to what it would be if they were starting over again and had to complete their 4 years under the budget recommended by the Administration.

There are 83 students in our senior class and all but 7 (92%) have obtained financial aid. By the time they graduate inb May of this year, they will have an aggregate debt burden of approximately 2 million dollars. This does not include what they may have borrowed from parents and other outside sources. The range of indebtedness is several thousand dollars to as high as

$51,000. It averages out to $26,000 per student. However, by the time they finish paying off their loans over a 10-year period, the actual cost per student will be an average of $33,000.

Now let us assume that this class will enter medical school in the near future and that they will have to arrange their finances based on the changes recommended by President Reagan. Right off, 40 percent will be ineligible for the Title IV Guaranteed Student Loan Program (GSL). The GSL program is the backbone of our financial aid package. The remaining 60 percent will have their annual borrowing limit from GSL reduced from $5,000 to $4,000 and the accumulative borrowing amount would drop from $25,000 to $20,000.

The proposals that affect the GSL are the most devastating of all the many other changes included in President Reagan's budget. It means that our student body would have to go out and borrow $800,000 from other sources over the 4-year period. In the past they would have fallen back on the Title VII HEAL program. While the HEAL Program is expensive, in its present form it is extremely important as a loan of last resort for 12 percent of our students. For the older, independent student, it is often the only way to borrow sufficient funds for medical school. The budget for the HEAL program is being severely cut and will almost certainly be phased out. The Reagan Administration recommends that they borrow this $800,000 from private banks using the ALAS Program at a rate determined by the

lender at a maximum of the Treasury Bill rate plus 3 percent. This is potentially dangerous because there is no predicting how high the Treasury Bill rates might go.

Let us assume that our students could borrow the $800,000 at 12 percent interest from private banks. Unlike the GSL, this interest would have to be paid while the student is still in school. If the student is able to find a lender, which can be a problem in Connecticut, the student would have to pay, in addition to the current 1 percent insurance/guarantee fee to the guarantee agency, an additional 1 percent guarantee fee to the Federal Government for each new loan. Obviously all of these changes would add to the total indebtedness.

Now at the end of 4 years under the projected changes, the aggregate debt of the graduating class would have risen from 2 to 2.5 million dollars, and at the end of the 10 year pay-out period, it would amount to over 3 million dollars. The average cost for each student would rise from $33,000 to $41,500. Furthermore, for those students with low financial resources who would need to borrow up to $40-$45,000, their eventual cost could easily be between $60 and $70,000.

In summary, our medical school relies heavily on seven programs slated for change in the Administration's FY'86 Budget. We estimate a loss of nearly $1,000,000 per year in available aid as a result of these changes. As a relatively young, State institution, we have minimal funds to draw on to supplement the high interest dollars students would use in place of this lost

aid. It is quite possible that, for the first time in the history of our school, some students would have to drop out. We see our commitment to provide affordable medical education to qualified Connecticut students from all economic backgrounds severely threatened by the proposed changes in student financial aid. We urge you to vote against the cuts in student aid.

COMPARISON OF THE INDEBTEDNESS OF THE CLASS OF 1985 AT THE UNIVERSITY OF CONNECTICUT SCHOOL OF MEDICINE UNDER THE EXISTING FEDERAL PROGRAM REGULATIONS AND REGULATIONS PROPOSED IN THE ADMINISTRATION'S FY'86 BUDGET[1]

	EXISTING REGULATIONS		PROPOSED REGULATIONS	
Type of Aid	Amount Borrowed	Amount Repaid	Amount Borrowed	Amount Repaid
[2]GSL	$1,350,000	$1,966,000	$550,000	$ 801,000
[3]ALAS	-	-	800,000	1,802,000
[4]INSTIT.	350,000	514,000	350,000	532,000
TOTAL	$1,700,000	$2,480,000	$1,700,000	$3,135,000

[1] N = 76 students

[2] GSL - Guaranteed Student Loan - Current Interest Rate - 7-9% (fixed); 10-year repayment period. Proposed Interest Rate would be variable - figured here at 8%

[3] ALAS - Auxiliary Loan to Assist Students - Interest Rate - 12% with interest accruing and paid during in-school and deferment period; 10-year repayment period. (Interest rate currently fixed but would become variable. There would also be a 1% guarantee fee for each new loan).

[4] INSTIT - Aid awarded by the Institution - includes NDSL (5%) HPSL (9%), UNIV LOANS (9%). All aid figured at 9% under proposed regulations; 10-year repayment period.

American Association for Counseling and Development
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Statement on Behalf of the
American Association for Counseling and Development

and the

American School Counselor Association

by

Gail Morris
Counselor
Bethel School District
Bethel, Connecticut

for the
U.S. Senate Labor and Human Resources Committee
Subcommittee on Education, Arts and Humanities
Senator Robert T. Stafford, Chair
March 29, 1985

American Association for Counseling and Development is Committed to Equal Opportunity

STATEMENT OF GAIL MORRIS TO THE UNITED STATES SENATE SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES

Mr. Chairman and Members of the Senate Subcommittee on Education, Arts and Humanities, my name is Gail Morris and I appreciate this opportunity to share with you some of the impacts of the Administration's proposed budget cuts in student financial aid for fiscal year 1986.

Let me preface my remarks by explaining that I speak from a broad base of experience in regards to student financial aid. I am a former financial aid officer at San Diego State University, and am currently employed as a school counselor in the Bethel School District. My current position has allowed me to speak with hundreds of parents and students in regards to the effects of the Administration's past and present student financial aid proposals.

Also, I currently serve as a member of the Government Relations Committee of the American School Counselors Association, a division of the American Association for Counseling and Development, a nationwide organization comprised of more than 43,000 professional counselors, counselor educators and related human service providers, and I am the former president of the Connecticut School Counselors Association.

In my discussion with secondary school students, I find that they are increasingly concerned with reductions in postsecondary student financial aid, so concerned that they are seriously questioning how they and their families will be able to afford a postsecondary education.

According to the Committee for Education Funding, 808,000 of our Nation's students who come from middle income families would no longer be eligible for Pell Grants during the 1986-87 academic year if President Reagan's FY '86 budget proposal were adopted in its entirety; and, nearly one million students would no longer qualify for Guaranteed Student Loans because of the proposed $32,500 family income cap.

The Connecticut Department of Higher Education projects that 6,000 students would be affected under the Administration's FY '86 budget proposal, with 3,500 students actually being dropped. In addition, 24,000 students attending postsecondary institutions in Connecticut would no longer be eligible for Guaranteed Student Loans. Ten thousand students could lose National Direct Student Loans, and almost 3000 awards of college work-study, Supplemental Educational Opportunity Grants, and State Student Incentive Grants would be lost under the President's proposal.

Mr. Chairman, such reductions in financial aid will discourage students from pursuing any type of postsecondary education. Under the president's proposal, I fear that we will remove the equity of choice for our students; that is, the opportunity to select a postsecondary institution based on its qualities, and not its cost.

The proposed cuts would devastate low and middle income families who have children enrolled in postsecondary institutions. For the more than 481,000 elementary and secondary students in Connecticut schools, these cuts in student financial aid will have long range effects.

Connecticut postsecondary institutions have seen a rise in enrollments, and in order that our students continue to pursue higher education, I urge you to reject the cuts in the president's FY '86 student financial aid budget request.

Mr. Chairman and members of the Subcommittee, let us not shatter the dreams of our young people. Their desire to learn, and their wish to become productive citizens of this nation depend on your decisions and those of your colleagues. While we all recognize the economic effects of the federal deficit, I hope that you will remember that an investment in education surely yields a high return.

Thank you.

University of New Haven

SCHOOL OF PROFESSIONAL STUDIES
AND CONTINUING EDUCATION

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The Honorable
Lowell P. Weicker, Jr.
United StatesSenate
303 Hart Senate Office Building
Washington, D.C. 20510

March 29, 1985

RE: Field Hearing of the Senate Subcommittee on Education, Arts and the Humanities, March 29, 1985, University of Hartford, Hartford, Connecticut

Dear Senator Weicker:

Although most of the arguments against the proposed budget changes for Higher Education have been presented with an eye towards the traditional full-time student in mind, there are several points to consider regarding the impact on non-traditional students -- those students either majoring in the developing disciplines of cross-technological areas and/or those students attending universities on other than a full-time basis. I would like to respond to these on two levels: first, as Dean of the School of Professional Studies and Continuing Education, whose primary concern is for the education of non-traditional students; second, as an administrator in higher education, with a broader view of the educational levels of future American society.

Students in our Professional Studies programs of Occupational Safety and Health, Fire Science, and Aeronautical Technology are training for management positions critical to American industry. They are developing skills to supervise, control, and coordinate the technicians in business whose performance keeps America in the forefront of industrialized nations. They come to institutions like the University of New Haven because these programs do not exist elsewhere. They are from families of lower- to middle-income and would be ineligible for traditional financial aid according to the proposed guidelines. These students, therefore, would be unable to obtain this education because State institutions do not offer programs in these areas. Their options, therefore, would be either to enroll in the technical programs offered by their State's technical schools or to enter straight managerial programs offered by the State universities. This will perpetuate the gap between management and technology that our programs have attempted to address. A 3- to 5-year lead time is average for State institutions to design, develop, and inaugurate new programs to supplant those we would phase out because of our enrollment drops.

Title VIII is slated to be reduced and possibly disbanded. This program funds Cooperative Education -- the only real program allowing a viable option for students to help finance the cost of their private education. The Co-op program has a proven track record for both students and employers. The student gains direct work experience and the opportunity to apply classroom knowledge immediately to employment situations. The employer has the advantage of pre-hiring evaluation, an inexpensive labor pool, and the opportunity to mold a future employee appropriately. To cut Title VIII would be a savings of 14.4 million dollars. But the wages earned by Cooperative Education students totalled 1.05 billion dollars in 1984, realizing tax revenue of 133.35 million dollars. To cut Title VIII, therefore, would be to lose 119 million dollars of tax revenue.

The School of Professional Studies has begun offering "Career Certificate Programs" -- programs designed for people to place students otherwise not interested in full higher education enrollment into the job market with specific skills within a 12-month period. These programs, although leading ultimately to a degree if desired, train students in specific skills (Computer Programming, Office Systems Management, etc.) to enter the job market at a higher level than what they otherwise might have attained. For many, it prepares them for their first full-time job. As currently constituted, federal financial aid packages are available to them. Under the new regulations, they would not be eligible. We estimate that, from our institution alone, the exclusion of these students from this program would result in a loss of 1.65 million dollars annually in additional taxable income to the Federal Government.

The relegation of middle- and lower-income students to public education will either overload the current State system unless extensive expansion is immediately undertaken, or effectively deny these students any higher education if there is no such expansion. It is also a direct insult to those institutions such as ours who have taken community service seriously and developed special programs of study for such lower- and middle-income families -- programs that public institutions have been either unable or unwilling to provide. We have proven through our 65 years of constant success that we fulfill a substantial role in the higher education of our region, and that we are damned good at it. For the Federal Government to tell us, via budgetary linguistics, that what we have accomplished is "nice" but inappropriate for the future is patently absurd.

What the changes in federal funding effectively say to us, therefore, is that private institutions of higher education are to service the upper-income brackets only, providing an education that will serve the financially elite and that group's educational desires. All others must be dependent upon the State for their education. Aren't we talking about the extremes of the current double standard experienced at the secondary school level now? Is this truly in the best interests of a mature democratic society?

The People's Republic of China is experiencing a most difficult educational period in this decade as a result of an age group reared during the cultural revolution: youths mobilized to expound on the teachings of Mao, not to learn the basics of literacy, are now maturing into a production work force without the proper foundations necessary to deal with the contemporary technology the current government desires. From my vantage point as an educator, I fear we are courting a similar disaster by forcing the higher education of children of the working class family into the hands of public education only. There are far too few state legislators concerned with the overall level of American education. This is the role of the Federal Government -- a role too important to abdicate even for the sake of fiscal responsibility.

No one disagrees with the need for fiscal responsibility and containment of the national debt. But the balance between federal responsibility for budget and federal resonsibility for educational opportunity and quality must be struck much more evenly than is being proposed under the new budget requests.

If I may be of any further service to you or the Committee, please feel free to contact me. Thank you for your consideration of these points.

Sincerely,

Ralf E. Carriuolo

REC/scl

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PRESIDENT

NORTH CENTRAL CONNECTICUT Bloomfield, Ellington, Enfield, E. Granby, E. Windsor,
THE STATE OF CONNECTICUT'S FRESH WATER COLLEGE

March 22, 1985

APR 01 1985

Honorable Lowell Weicker, Jr.
United States Senator
Committee on Labor and Human Resources
Washington, D. C. 20510

Dear Senator Weicker:

Thank you for your letter and enclosures of March 12 informing us of your hearing that will be held at the University of Hartford on March 29. We will be represented there, but I did want to express my feelings to you on student aid and other items before hand. In fact, I want to go back to something you said in Enfield during your last campaign. You were talking about higher education and our involvement with students from other countries, especially Third World countries, on American college campuses. Your comparison was between what our country's colleges are doing with what Cuba's colleges, as well as other communist countries' colleges are doing with foreign students. I certainly agree with you that more needs to be done. Our college has been doing this as best we can even though we have been severely criticized by people here in Connecticut.

On financial aid, I take great issue with the statements made that students are buying cars, stereos, etc., with federal dollars. Sometimes cars are absolutely essential because it is the only way a student can get to a campus due to the lack of public transportation. However, the car is only a means to an end and I have rarely seen the purchase of an automobile result from financial aid. This is especially true in Connecticut where not only the purchase of the car is involved, but then the mandatory insurance, the cost of fuel, etc. That is why most of our students come from an immediate area and in fact will not drive more than ten or fifteen miles for their college education.

A second factor with our students is that they are adults, not people just out of high school. Further, they are adults with families, citizenship, and work responsibilities. Thus, the largest proportion of our students are adult women, many of whom are single heads of households, and they attend college on a part-time basis. What some of these women are trying to do is to stay off of other federal and state supported programs by learning new things, including job skills, for their entry, re-entry, or access to better job opportunities. In fact, in discussing financial aid proposals with faculty and staff, a number of women's names were mentioned who were too proud to even apply for financial aid. Rather, they gave up other items and these items are certainly not stereos, automobiles, etc., but things that could be identified as essential items for their livelihood.

I certainly agree with you about funding the education of other countries' citizens as this carries far more significance than what happens in the classroom. But at the same time I do not wish to find us in an either/or situation where we forget our own human resource. Too many authors are indicating that the only advantage the United States has today is in its brain power and it is my belief that we are damaging this resource with shortsightedness that will only hasten the deterioration of our country's position in the world.

As part of this total funding picture for higher education though, I must mention vocational education funds since so many of our students have benefited over the years from these dollars. I have been told by friends in Washington that you are considering the addition of one hundred million dollars to the Basic State Grant Program under the Vocational Education Act. For many of the reasons stated above, I hardily endorse such action and encourage you to make this move of adding one hundred million dollars as a supplemental for vocational education under the Basic State Grant Program. Under the current proposal, we do not feel it would even be worth our while, due to shortages of staff, to pursue what is currently described as the Vocational Education Act and its manner of distribution. Thus, the adults in North Central Connecticut will be the ones to suffer from current thinking. While most of our equipment does come from state bonded indebtedness, it is the vocational education funds that have allowed us to keep these technical programs up to date. Without the vocational education funds, we will be forced to prepare students in areas of technology with equipment that we know is obsolete. This bothers me greatly as it would only deteriorate further the current image of higher education held by many employers.

And, while I am talking about employment, I would request that Title IIIC and E be considered for a small funding package. I call these two sections the recycling of the adult workforce and have enclosed a paper I wrote out of total frustration when our unemployment rate in Connecticut was very high. This article has been published in part and in whole in a number of places, but I guess no one has ever taken the recycling of the adult as a serious matter; we do talk about second and third, perhaps even fourth careers, but we have no systematic way of helping people who are becoming obsolete or unemployed before that matter hits the individual. If we could just make a small beginning on Title IIIC and E, it would prove most beneficial in the future to implement a systematic way of keeping the adult workforce prepared with what employers need in terms of knowledge and skills.

I appreciate this opportunity of expressing my experience and beliefs to you and your coming home to Connecticut to hear the plight of colleges and their financial aid program; on behalf of the students and staff of Asnuntuck, as well as I am sure a number of other colleges in Connecticut, I express our thanks to you.

Sincerely,

Daniel R. McLaughlin
President

DRM/mp
Enclosures

Cc: Congressman Nancy Johnson

A unit of The Connecticut State University
SOUTHERN CONNECTICUT STATE UNIVERSITY
501 Crescent Street • New Haven, Connecticut 06515 • (203) 397-4234
OFFICE OF THE PRESIDENT

March 5, 1985

President Ronald Reagan
The White House
Washington, D.C.

Dear President Reagan,

Your administration's decision to cut back drastically on federally guaranteed student loans and grants is counterproductive to America's long-term development and should be abandoned. It threatens to disrupt the lives of millions of students and their families, who are already struggling to make educational ends meet. It also promises to deny a college education to intelligent and serious students, who have done nothing wrong except be born into the American middleclass.

I am president of a state university that educates thousands of middleclass students each year. I know from personal experience that many of our students will be forced to drop out of our university, or severely cut back on their schooling, should your proposals be adopted. More than 40 percent of our 7,000 full-time students currently rely on government loans and grants, including Guaranteed Student Loans, Pell Grants, Supplemental Educational Opportunity Grants, and the College Work-Study program. Under your proposals, these students will have virtually no alternative but to drop out of school, probably forever. It is unclear to me how you think their leaving college will benefit their or America's future.

The drop in the number of high school students has already affected college enrollments. To reduce the college population even further by pricing more students out of the educational market would be a severe jolt to many colleges and universities. You would see a precipitous drop in the very quality of education that your administration claims to foster.

Your educational task forces call for better teaching in high schools and grammar schools. However, your latest budget proposals would cut the ground out from under the colleges and universities that educate those teachers.

This is not an issue of public versus private higher education. It is more fundamental than that. It is an issue of the quality of lives of our young people and their families and the quality of life of our nation during the next generation or two.

One of the strengths that distinguishes the United States from the rest of the world is the level of education of our people. No other country in history has educated so many of its citizens at such a high level. As a result of that broad-based education, this country has produced a culture of great vitality and productivity.

Your proposals to reduce student aid for higher education threatens the strength of our culture by lowering the level of academic achievement that supports the expectations and long-range planning of this and succeeding generations of students. For young people to become the adults who will solve the many problems facing us today and tomorrow, they will need more education, not less.

To deny so many of our young people access to colleges and universities, which is what your cutbacks in financial aid will do, you jeopardize not only their lives but the lives of all of us, who depend on the clear thinking of educated minds.

I know, Mr. President, that the federal budget deficit is dangerously large and must be drastically reduced. To reduce it at the expense of education, however, is to turn the nation's priorities upside down.

We, who administer colleges and universities, are doing our best to keep costs as low as we can. We are also trying, through private loans and grants, to make education as accessible as possible to many academically qualified students, who currently lack sufficient funds. But it is impossible for us to pick up the financial slack that will occur if your proposals to cut back financial aid are implemented.

I call upon you and your advisers to revise your thinking on this vital matter and reinstate the loan programs that are critical to the health of higher education in this country.

Sincerely,

Michael J. Adams
President

MJA/ab

MAR 25 1985

TRINITY COLLEGE • HARTFORD • CONNECTICUT • 06106

Office of the President

March 21, 1985

Senator Lowell Weicker, Jr.
United States Senate
Committee on Labor and Human Resources
Washington, DC 20510

Dear Lowell:

Thank you for letting me know about the Subcommittee hearing in Hartford on President Reagan's proposed cuts in federal aid for higher education. Trinity will be represented at the hearing by Mrs. Anne Zartarian, Director of Financial Aid, and two of our undergraduates, David Fontaine and Eloise Nurse. I should like to appear personally but must be away from the College on a development trip. Mrs. Zartarian and the students will make a good case, and I know that you, in turn, will represent us well, and I thank you very much for that.

My own views on the matter can be summarized this way. A great mistake was made when we reduced taxes as much as we did a few years back. The economic theories on which the cuts were based were specious, and the consequences have been very serious: huge budget deficits; higher interest rates; an over-priced dollar; a frightening imbalance in foreign trade; and dreadful pressures on the American farmer, American capital goods producers, and Third World debtor countries.

Certainly some effort can be made to correct this situation by reducing Federal expenditures, but it is unrealistic to expect that the budget can be balanced in this way, particularly if defense expenditures are not cut substantially.

The proposed reductions in student aid are simply far too great. They will reduce opportunities for lower income students and drive many of them away from the independent institutions and into the public systems. This will greatly weaken the private colleges and universities (some of which are in perilous condition already) and place a much larger financial burden on the states, which will have to subsidize a larger number of students in the state colleges and universities.

It's another bad way to try to head off a much-needed tax increase.

Cordially,

J.m

James F. English, Jr.

Senator WEICKER. Thank you very much.

I think the issue has been well defined both in terms of facts and in terms of ideals. I will end the hearing as follows: Yesterday on Wall Street the President said we are going to cut the bull loose. I would suggest that in so far as the President's education recommendations are concerned he has already done that.

Now it is up to the Congress to go ahead and act. And it is up to all to speak out. I think all we have to do is look around us to see what has been created and the real question for this generation is whether we are going to do our own creating or whether we are just going to run the well dry. That is the real issue.

And the comment was made that we do not want any "me" generations. And I think it is well put. Again, those that are affluent today are so because of the sacrifices of others, not because of some God given ability of their own. In this Nation we have always helped our neighbors, and certainly we have done that in the State.

Education is the future of this Nation, and you have stated it as eloquently as I have ever heard it, every person that has appeared before the committee.

Thank you and the committee will stand in adjournment.

[Whereupon, at 11:55 a.m., the committee was adjourned.]

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